No. 9058.

In the United States Circuit Court of Appeals

For the Ninth Circuit.

RESEARCH PRODUCTS CO., LTD., a corporation, CALIFORNIA PRODUCTION CO., a corporation, HENRY BRANHAM, ARTHUR J. DIETRICK and ABRAHAM M. HERBSMAN,

Appellants and Defendants,

vs.

THE TRETOLITE COMPANY, a corporation and TRETOLITE COMPANY OF CALIFORNIA, LTD., a corporation,

Appellees and Plaintiffs.

APPELLANTS' BRIEF.

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STATEMENT OF THE CASE.

Patent Case.

This is a suit in equity for alleged infringement of United States Letters Patent. (Jurisdiction in District Court and this Court, U. S. C. A., Title 28, Sec. 41 and Sec. 225-227.) Plaintiffs, in their bill of complaint filed November 3, 1933 [R. p. 4] originally charged infringement of three Letters Patent, to-wit:—

No. 1,223,659, dated April 24, 1917, for "Treatment of Crude Oil."

No. 1,467,831, dated Sept. 11, 1923, for "Process for Treating Petroleum Emulsions."

No. 1,596,589, dated August 17, 1926, for "Process for Treating Petroleum Emulsions."

Plaintiffs on December 28, 1933, filed their Bill of Particulars [R. p. 11] specifying claims 1, 2, 4, 7, 8, 9 and 10 of patent No. 1,467,831 and claims 1, 3, 5, 7 and 8 of patent No. 1,223,659 as the claims upon which they would rely as infringed, and specified defendants' chemical reagent, Hydrate 488, as that of the several compounds manufactured and sold by Research Products Co., Ltd., under supervision of Abraham M. Herbsman and the sale to California Production Co., Henry Branham, and/or Arthur J. Dietrick of Hydrate 488 with the knowledge and intent that the same was to be used by said last named defendants for the purpose of removing water or emulsion from cut oil to have constituted the infringement charge against defendants, Research Products Co. Ltd., and Abraham M. Herbsman, and the use of said reagent by defendants, California Production Co., Henry Branham and/or Arthur J. Dietrick, to have constituted the infringement charged against said last named defendants.

Defendants, California Production Co., Henry Branham and Arthur J. Dietrick, filed their separate, joint and several answer January 20, 1934. [R. p. 16.]

Defendants, Research Products Co. Ltd., and Abraham M. Herbsman, filed their separate, joint and several answer, and on October 26, 1934, filed amended separate, joint and several answer [R. p. 73], including counterclaim [R. p. 98] alleging unfair competition because of plaintiffs' allegedly unwarranted notices of alleged infringement of plaintiffs' patents sent to defendants' customers.

The case was, on November 23, 1934, referred to David B. Head, Esq., as Special Master, by stipulation. [R. p. 127.] Hearing before the Special Master was be-

gun on March 6, 1935, and continued from day to day until April 5, 1935. [Report of Special Master; R. pp. 128, 129.]

At the beginning of the hearing the master, at plaintiffs' request, dismissed the bill as to patent No. 1,596,589. [R. p. 128.]

On June 27, 1936, the Special Master filed his report [R. p. 218] stating in his conclusions that [R. p. 151]:

> (3-4) Letters Patent No. 1,223,659 (expired April 24, 1934), and particularly "claims 1, 3, 5, 7 and 8 thereof" were "valid," but "not infringed."
>
> (5) Letters Patent No. 1,467,831, and particularly "claims 1, 2, 4, 7, 8, 9 and 10 thereof are good and valid in law."
>
> (6) The defendants California Production Co., Arthur J. Dietrick and Henry Branham had "infringed" said claims "by using the process of said patent in the treatment of crude oil emulsions with the treating agent Hydrate 488."
>
> (7) The defendants Research Products Co. and Abraham M. Herbsman had "contributed" to the "infringement" of said claims of Letters Patent No. 1,467,831 "by selling to the California Production Co. the treating agent Hydrate 488, with the knowledge and intention that it be used in the infringing process."

Regarding defendants' counterclaim the master ruled [R. pp. 153-154] that his report was made without prejudice to the defendants' right of action thereon; that any relevant evidence received on the issues in the case could be considered in the case on the counterclaim, and that the counterclaim was off calendar but may be reset for the taking of further testimony upon motion.

Defendants filed exceptions to the parts of the master's report finding patent No. 1,223,659 valid and patent No. 1,467,831 valid and infringed. [R. p. 155.]

Plaintiffs filed no exceptions to the master's report.

The District Court, on March 2, 1938, filed its memorandum of conclusions [R. p. 171] overruling defendants' exceptions to the master's report and awarding a decree to plaintiffs holding patent No. 1,223,659 valid but not infringed and patent No. 1,467,831 valid and infringed.

On July 9, 1938, the Court entered its findings of fact and conclusions of law. [R. p. 178.]

Before a decree had been entered the Supreme Court of the United States (on January 3, 1938) handed down its decision in *Leitch Manufacturing Co. v. Barber Company*, 302 U. S. 458, 82 L. Ed. 371, and defendants, on May 17, 1938, petitioned the District Court to reopen the case for further argument in view of said decision. [R. p. 191.]

Plaintiffs having proposed an interlocutory decree; defendants having objected to said decree [R. p. 193], and the court having denied defendants' petition and overruled defendants' objections to said decree [R. p. 195], said decree was entered on July 9, 1938. [R. p. 186.]

Thereupon this appeal was taken.

The Parties.

Plaintiff, The Tretolite Company, a Missouri Corporation, owns the patents in suit. [R. p. 128.] The other plaintiff, Tretolite Company of California, Limited, is a subsidiary company through which The Tretolite Company does business in the Southern District of California.

The defendants Henry Branham, Arthur J. Dietrick and the California Production Company are sued as direct

infringers by reason of the alleged use of the processes of the patents. Research Products Co., Ltd., and Abraham M. Herbsman are sued as contributory infringers by reason of the alleged sale of a product, known commercially as Hydrate 488, to the other defendants for use in the alleged infringing process. [Master's Report, R. p. 128.]

Subject Matter of the Patents in Suit.

The subject matter of patent No. 1,467,831 (the only patent now involved) is a *process* of treating petroleum oil emulsions, known variously as emulsion, cut oil or b. s. (bottom settlings), with chemicals to break the emulsion and permit recovery of the oil from the emulsion.

Crude oil wherever produced from underground sources usually is accompanied by water which is usually present:

> First, as loose emulsion of water and oil which can be broken by heating, or sometimes merely by long settling.
>
> Second, as tight emulsion, which can be broken only by heating to high temperatures, by mechanical centrifuging, by electrical charge or by use of chemicals, followed by settling.

The present case has to do with breaking of the emulsions with chemicals.

General Statement.

Prior to filing application for patent No. 1,467,831 (the only one here involved and referred to herein as the "modified fatty acid" patent), William S. Barnickel had received two other patents for treating petroleum oil emulsions for the same purpose. *All three of the patents involve the same process or method steps* of introducing a relatively small quantity of a chemical, into a mass of the

emulsion, to break the emulsion, allowing the mass to separate into an upper stratum of oil and a lower stratum of water and drawing off the oil from the water to recover the oil. (Patent No. 1,093,098, Def. Ex. W-1, Book of Exs. p. 433; Patent No. 1,223,659, Pltf. Ex. 1, Book of Exs. p. 1; Patent No. 1,467,831, Pltf. Ex. 2, Book of Exs. p. 7.)

The reagent of patent No. 1,467,831 is an unpatented material and is stated as a "modified fatty acid," derived from a fatty acid by the reaction of a reagent thereon to produce a substitution or addition product thereof.

The reagent of patent No. 1,223,659 is an unpatented material and is stated as a "water-softening agent capable of precipitating the alkaline earths present in the emulsion."

Claims 1, 2, 4, 7, 8, 9 and 10 of patent No. 1,467,831 are relied on by plaintiffs. Claims numbered 1, 2, 4, 7 and 8 define the treating chemical or agent used in the method or process as "a modified fatty acid as herein defined." Those numbered 9 and 10 define it as "a solution containing sulfo-fatty acid" or as a "sulfo-fatty acid."

Plaintiffs have been under the difficulty of expanding the claims of the patent to include defendants' agent. Although the record is encumbered with extensive analyses, and with abstruse theories, facts developed at the trial permit determination of most of the technical questions involved by application of laws of merely elementary chemistry or by simple reasoning.

Although Barnickel, when filing his application, drew his claims to extreme breadth to cover treatment of oil with any agent which would destroy the films about the oil droplets in an emulsion, he found it necessary from time to time to cancel various claims, such as those pertaining to a neutralized material, sulfonated oils, etc. Finally, he was allowed, as his agent, an agent necessarily obtained from a fatty acid which has been modified by reaction with a chemical capable of producing a substitution or addition product of that fatty acid so as to retain the fundamental characteristics of said fatty acid. This product, resulting from chemical treatment of a specific parent material, a fatty acid, had to retain the fundamental characteristics of an acid,—a fatty acid.

The defendants in manufacturing their agent employ an entirely different parent material, castor oil, which is a glyceride and not a fatty acid. [R. pp. 313, 465.] The evidence shows that nowhere during the reaction of this parent material with defendants' reagent, fuming sulfuric acid, is a fatty acid produced. [R. p. 148; Def. Ex. "I", Book of Ex. pp. 401-2.] Defendants, therefore, do not modify a fatty acid to produce a "modified fatty acid," and defendants' product, therefore, cannot come within the scope of the patent. Moreover, defendants' product is a neutralized material, a fact not denied by plaintiffs. A neutralized product was specifically excluded from the patent.

Plaintiffs [R. pp. 472, 449-450] recognizing that they could not bring defendants' agent under the patent by

direct proof, resorted to syllogistic fallacies, asserting that Turkey Red oil was the generic agent of the "modified fatty acid patent" [R. pp. 1112-14] and that since a certain sulfo-fatty acid could be used as a Turkey Red oil, that therefore a material that could be used as a Turkey Red oil was a sulfo-fatty acid and also a "modified fatty acid."

The fallacy of this reasoning lies in the fact that the term, "Turkey Red oil" includes agents, which are not sulfo-fatty acids, or fatty acids modified as required by the patent. The Master supported plaintiffs' Turkey Red oil contention and held that—"Commercially, it (Hydrate 488) may be classified as a Turkey Red oil."

The term "Turkey Red oil" is, however, nowhere to be found in the "modified fatty acid" patent.

As to Barnickel attaining a universal compound, neither Barnickel nor his associate chemists were ever able to attain their objective of a single compound for treating all of the different kinds of roily oil and bottom settlings. The plaintiffs now have available and employ, selectively, not less than one hundred different compounds for treating different oils, and plaintiffs state—"It is still a fit and try test, * * *." [R. p. 508.]

SUMMARY OF ARGUMENT.

Defendants contend:

I. That patent No. 1,467,831 is void and invalid:

(a) for indefiniteness;

(b) for abandonment of the invention;

(c) as to claims 1, 2, 4, 7, 8, 9 and 10, inclusive, for anticipation;

(d) as to claims 1, 2, 4, and 7 to 10, inclusive, for lack of invention;

(e) as to claims 1, 2, 4, 7, 8, 9 and 10, inclusive, for double patenting.

II. That defendants did not jointly or severally infringe the patent, or contribute to infringement thereof, and particularly claims 1, 2, 4 and 7 to 10, inclusive, thereof, or of any of said claims.

III. That the suit cannot be maintained even if the patent were valid, because to do so would give a limited monopoly of an unpatented staple article of commerce.

IV. Because of its error in holding the patent in suit, and particularly claims numbered 1, 2, 4, and 7 to 10, inclusive, valid and infringed, the Court was in further error in ordering recovery, injunction and costs against the defendants, and in not dismissing plaintiffs' bill of complaint.

ARGUMENT.

POINT I.

Patent No. 1,467,831 Is Void and Invalid

(a) For Indefiniteness:

When Barnickel filed his application for said patent he stated that he had discovered [Deft. Ex. "B", Book of Exhibits, pp. 311-313]:

> "* * * that the permanency of such (petroleum) emulsions is due to the fact that they consist of minute globules of oil surrounded by a film, envelop or membrane of a colloidal substance, the surface tension of which is sufficient to prevent coalescence of the oil globules, * * *"

and that he had:

> "* * * devised a process for treating petroleum emulsions that contain relatively large amounts of water and which are of a permanent nature, that consists, briefly stated, in *modifying by chemical action* the colloidal substance or emulsifying agent that surrounds the minute globules of oil, thereby destroying its surface tension and liberating the minute globules from their protective envelopes or films, and permitting them to coalesce and form larger bodies of oil which rise to the top of the mass, the water, brine and other foreign matter settling to the bottom. This can be accomplished with various chemical agents or reagents, either chemicals that are dissolved and consumed during the process, or chemical catalytic agents that produce a change in the colloidal substance merely by being in proximity to same." (Italics ours.)

The Examiner ruled [Deft. Ex. "B", Book of Exhibits, p. 333]:

> "* * * The mere fact that the applicant has discovered a new theory of operation of the emulsion breaking reagents does not entitle him to a patent."

After a lengthy prosecution, Barnickel managed to circumvent the Examiner's objections to his theory with regard to "*modifying by chemical action* the colloidal substance or emulsifying agent" [as quoted above from Deft. Ex. "BB"] by changing his terminology to the use of a "modified fatty acid".

The Master and plaintiffs have stated that the classification of "modified fatty acid" included innumerable chemical compounds. Plaintiffs' expert Dr. Morse, testified that Barnickel's reference to esters included innumerable esters [R. pp. 1095-96], coming under three distinct types of esters [R. pp. 1073-75] and that the patent did not state which to use. [R. pp. 1095-1102.] Dr. Morse also testified as follows:

> "Q. How many fatty acids are there?
>
> A. I would have to look it up to find out. I don't think anybody knows quite how many there are." [R. p. 1104.]
>
> "Q. By Mr. Brown: Well, how many certain substituting chemicals or reagents are there?
>
> A. I don't know." [R. p. 1107.]

Plaintiffs' expert, Monson, testified [R. pp. 433-434] that a large number of substitution and addition products could be made from fatty acids,—that more than one hundred such compounds could be made from two of the fatty acids, and did not know what limit there might be to the number of such substitution and addition products (modified fatty acids).

The Master in his report [R. p. 141] states:

> "It ('modified fatty acid') includes a large class of the products of reaction between fatty acids and reagents. * * *"

The Master also recognized the inadequacy of the specification when he stated in his report [R. p. 144]:

> "The specification does not teach the method by which the treating agent or agents are to be manufactured, * * *."

These requirements of the statute have been recognized by the courts and particularly by our own Circuit Court of Appeals in the case of *Metals Recovery Co. v. Anaconda Copper Min. Co.*, 31 Fed. (2d) 100, 103, Dietrich, Circuit Judge, speaking for the Court, stated as follows:

> "(1, 2) No one of the four claims in suit names a specific substance, but each purports only to describe a class. In the light of the admitted facts, we are of the opinion the description is too indefinite and comprehensive. The number of substances falling within it is enormous—in excess of 250,000. Of these Perkins tested only a small percentage, and in such tests he found but few collectors thought to be effective under any conditions. Out of many, selected as being representative and tested by experts in preparing the case for trial, but few disclosed valuable collecting properties. To say that appellant is claiming only such substances within the class description as are in fact good collectors is to beg the question. To obtain the monopoly afforded by a patent, the patentee is required to disclose what he has found, and not merely suggest that something may be found by further and extensive experimentation. A generic monopoly must rest upon a generic discovery; and this Perkins did not make. We entertain no doubt that the claims come under the condemnation of the Incandescent Lamp Case, 159 U. S. 465, 16 S. Ct. 75, 40 L. Ed. 221, and other decisions therein cited, and also of the recent case of Corona Cord Tire Co. v. Donovan Chemical Corporation, 276 U. S. 358, 48 S. Ct. 380, 72 L. Ed. 610."

Other cases, see Appendix pages 2-3. 7-13

Defendants showed that twenty-three chemical substances admitted as "modified fatty acids" by plaintiffs [R. pp. 721-727] would not break the emulsion of California Production Company's Davis No. 2 well, though used in double quantities as compared to Hydrate 488. [Deft. Exs. "P" and "Q".] Moreover, the crude oil emulsion tested is the emulsion to which plaintiffs have alleged infringement. Among the "modified fatty acids" tested were various esters of the class shown by plaintiffs' expert as the type of simple ester of patent No. 1,467,831 [R. pp. 1073-74]. This test also included a type of sulfo-fatty acid, called toluenesulfonyl acetic acid, as well as a salt of a sulfo-fatty acid called sodium sulfo-acetate.

Many so-called "modified fatty acids" will not serve at all to secure the result required of the patented process, and that under the accepted rule, this constitutes adequate proof of *indefiniteness* and *invalidity* of the patent.

Plaintiffs' experts were not able to agree on what constitutes a "modified fatty acid", despite their familiarity with the patent and its file history. [R. pp. 423, 457, 470, 574, 1071-72, 1112.] Moreover, the definition for "modified fatty acid", formulated by plaintiffs' experts for the purpose of this suit, is nowhere to be found in the patent.

Plaintiffs' expert, Monson, testified [R. p. 423]:

> "Q. By Mr. Brown: What do you understand to be meant by the term 'modified fatty acids'?
>
> A. I referred to a modified fatty acid as an addition or substitution product of a fatty acid, which still that is, the product in the free form, contains the COOH group, and the product still retains the long carbon chain which was present in the original fatty acid.

The Master: Do you know of any text writer, any place in the literature, where you can find such definition of a modified fatty acid?

A. Not that I know of."

Plaintiffs' expert, Dr. Morse, testified [R. p. 1112]:

"Q. By Mr. Brown: Where do you find modified fatty acids classified in the literature?

A. I don't remember seeing the term in the literature.

Q. What is your definition of the term?

The Master: What is your definition of the term as you find it used in the patent, Dr. Morse?

A. I should say it meant one which has been altered or changed without the complete destruction of its original structure, using the general understanding of the meaning of the word 'modified'.

Q. You don't find that definition in the patent specification, though?

A. No."

Dr. Morse thereby showed that in his understanding of "modified fatty acid", destruction of the original structure of the fatty acid takes place, though not completely. This is substantiated by defendants' witness, Herbsman, who testified [R. pp. 660-661] to the breaking down of the carbon chain of the fatty acid, iso-caproic acid, below its boiling point by treatment with sulfuric acid.

The above testimony with respect to definition of "modified fatty acid" does not conform to the statement in the Court's "Memorandum of Conclusions" [R. p. 174]:

"* * * that the definitions given in the testimony of plaintiffs' experts are in agreement with the definition of said term as specified in said patent, * * *."

The injected definitions are not the same as given in the patent. Even plaintiffs' own experts disagreed as to defining a modified fatty acid as shown in their quoted testimony. *These facts* alone show the patent as indefinite and thereby invalid.

Plaintiffs now attempt to limit their patent to the higher fatty acids despite the fact that such limitation does not appear in the patent and that their expert Dr. Morse testified [R. p. 1105]:

> "Q. Does the patent make any division among the fatty acids?
>
> A. Not that I know of."

In an effort to circumvent this admission, they contended that the term "aliphatic acids" was used to denote the lower fatty acids, while the term "fatty acids" was used to apply only to the higher fatty acids. Plaintiffs' expert, Monson, however, testified [R. p. 428]:

> "Q. By the Master: What does 'aliphatic' mean?
>
> A. Aliphatic, as I understand it, and I am no Greek scholar, is derived from the Greek meaning fatty. * * * the aliphatic chemistry which is the chemistry of the chain compounds, such as the chain compounds which we have been discussing.
>
> Q. By Mr. Brown: Is acetic acid an aliphatic acid?
>
> A. Acetic acid is an aliphatic acid.
>
> Q. Do these authorities you have quoted agree in placing acetic acid in the general classification of fatty acids?
>
> A. I do not understand your question, Mr. Brown. If you mean by 'fatty' alpihatic, they do agree that acetic acid is a fatty acid."

Monson also testified [R. pp. 432-433] that stearic acid and palmitic acid are fatty acids from which soaps are

made and that they are found under the general classification of fatty acids in the acetic acid series beginning with acetic acid.

The Master in his report states [R. p. 140]:

> "Lewkowitsch (Vol. 1, pp. 113-114) gives a classification of the fatty or aliphatic acids beginning with acetic acid,"—

but since there is only one carbon in the radical of acetic acid and therefore no carbon chain, the Master, in order to conform to the definition of modified fatty acid demanding a long carbon chain stated [Report, R. p. 142] that Barnickel:

> "* * * did not intend to include acids such as acetic acid * * *."

within the classification of "modified fatty acid."

On cross-examination, defendants' expert, Dr. Born, testified [R. p. 836] that when one wants to refer *only* to the higher members of the series, he always says "higher fatty acids" and does not use the term "fatty acid" alone. Dr. Born also testified [R. p. 835] that acetic acid occurs (in not a very large amount) in oil of parsley and other natural oils and fats, and this evidence was not refuted by plaintiffs. As to the Court's "Memorandum of Conclusions" [R. p. 172] with regard to acetic acid, it is submitted that no evidence was given as to whether oil of parsley would or would not be considered as an emulsion treating fluid or whether or not acetic acid could be produced therefrom by simple hydrolysis. Defendants' testimony showed acetic acid a fatty acid, and as pointed out heretofore, plaintiffs' admissions and the Master's statements, as well as the literature, also disclose that acetic acid is a fatty acid.

The patent makes no distinction as to any particular fatty acid to be used for making a "modified fatty acid," nor does it show that the fatty acid to be used must possess a long carbon chain radical,—and the patent is therefore indefinite and thereby invalid.

Plaintiffs, in Their Present Stand That Turkey-Red Oil Is the Agent of the Patent, Admit That the Modified Fatty Acid Patent Is Indefinite. The Term, Turkey-Red Oil, Is Not in the Patent.

The Master and plaintiffs designate patent No. 1,467,831 as the "Modified Fatty Acid Patent,"—*not* the Turkey-Red Oil Patent,—and say that "Turkey-red oil" is supposed to be the agent of the patent [R. pp. 1051-56, 1087-89, 1112-14], regardless of the fact that there is no mention of *the term* in the patent.

Barnickel knew of the availability of Turkey-red oil in 1913. [R. p. 898.] He could have used the term, "Turkey-red oil", if he so desired, when he applied for his water-softener patent No. 1,223,659 in 1914 and when he applied for his modified fatty acid patent No. 1,467,831 in 1919. It follows—

(1) That Barnickel purposely avoided the use of the term "Turkey-red oil" as defining his agents in both patents No. 1,223,659 and No. 1,467,831.

(2) That plaintiffs' attempt to now inject the term, "Turkey-red oil" as defining the agent of patent No. 1,467,831, emphatically shows said patent as being indefinite.

Under their Turkey-red oil interpretation, plaintiffs attempted to limit their patent to materials made only by reaction with sulfuric acid [R. pp. 1092-94] despite the fact that the term "sulfuric acid" is not to be found in

the patent. [R. p. 1107.] The Master, however, stated in his report [R. p. 141]:

> "It (modified fatty acid) includes a large class of the products of reactions between fatty acids and *reagents* * * *." (Italics ours.)

Sulfurized fatty acids are specifically referred to by Barnickel in the specification. (Patent No. 1,467,831, p. 2, line 15.) Dr. Morse, as expert for plaintiffs, did not know how to make sulfurized fatty acids [R. pp. 1093-94, 1119], but upon being shown the preparation thereof in Lewkowitsch, was forced to concede that sulfurized fatty acids are prepared by the action of surfur at higher temperatures upon a fatty acid or by the action of sulfur chloride at lower temperatures, *not by the action of sulfuric acid.*

Moreover, Deft. Exhibit "AA", as well as Plaintiffs' Exhibit 13 [Book of Exhibits, p. 23, bottom of page], disclose sulfo-fatty acids, not made by reaction with sulfuric acid.

There is no reference whatever to Turkey-red oil in the specification of the patent.

Revised Statute, Sec. 4888 (U. S. C. A. Title 35, Sec. 33), requires:

> "Before any inventor or discoverer shall receive a patent for his invention or discovery he shall make application therefor, in writing, to the Commissioner of Patents, and shall file in the Patent Office a written description of the same, and of the manner and process of making, constructing, compounding, and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use the same, * * * and he shall particularly point out

and distinctly claim the part, improvement, or combination which he claims as his invention or discovery."

In the case of *Solva Waterproof Glue Co. v. Perkins Glue Co.*, 251 Fed. 64-69 (C. C. A. 7th Cir.), the Court stated:

> "Nothing but experiment avails in the successful production of the glue base. If the patent were for the preparation of a proper glue base from entirely raw starch, it may be the processes of the two patents in suit might be valid. As it is, we see no disclosures which entitle appellee to a patent for any of his claims for the manufacture of a glue base. It is a hit or miss formula and not such a disclosure to those skilled in the starch glue or adhesive art as would enable them to practice its manufacture without experimentation. They may not be required to resort to experimentation. Panzl v. Battle Island Paper Co., 138 Fed. 48, 53, C. C. A. 474; General Electric Co. v. Hoskins Mfg. Co., 224 Fed. 464, 140 C. C. A. 150; Chemical Rubber Co. v. Raymond Rubber Co., 71 Fed. 179, 182, 18 C. C. A. 31. The patents in suit disclose no advance upon the prior art in the creation of a proper glue base. That must be discovered anew on each occasion."

See also the cases of:

Health Products Corporation v. Ex-Lax Mfg. Co., Inc., 22 Fed. (2d) 286 (C. C. A. 7th Cir.);

Nat'l Chemical & Fertilizer Co. v. Swift & Co., 100 Fed. 451.

The patent must be construed as written and construed to fix the scope and nature of the invention as the invention was disclosed and understood at the date of filing of the application for it.

(b) **Abandonment of Invention** (by Barnickel's Prior Public Use).

The interference proceedings (Def. Exs. "C" and "C-1"), definitely show patent No. 1,467,831 invalid because of abandonment by prior public use as shown by Barnickel's admissions of his work in various instances in 1914 and prior and subsequent thereto.

In his amended preliminary statements in both interferences [R. pp. 884-887] Barnickel said:

> "That he reduced the said invention to practice prior to October, 1914, and that since then he has manufactured and sold large quantities of chemical treating agent for practicing the process defined in the issue of this Interference."
>
> "That subsequently and prior to October, 1914, he reduced his invention to practice, made numerous demonstrations of the process defined in the issue of this interference, and prepared written descriptions of said demonstrations."

In his amended preliminary statements he fixed the date prior to which he had reduced the invention to practice as October, 1914, and the date since which he had manufactured and sold large quantities of the agent as "*since then*," *i. e.*, since October, 1914. (Italics ours.) This can only mean that according to Barnickel's sworn statement the agent had been sold in large quantities since beginning in October, 1914.

Testifying in the interference proceedings he said [R. p. 905]:

> " 'When I reduced the invention of one of these Interferences to practice I reduced to practice the inventions of both interferences. This was in the latter part of February of 1914, at Tanaha, Oklahoma,

where I installed a plant for treating bottom settlings and cut oil for the Mt. Vernon Oil Co. on their property there. The President of the Mt. Vernon Oil Co. came to see me in St. Louis, Feb. 19, 1914, regarding the difficulties he had been having with their oil at Tanaha. I made a contract with him on Feb. 20, 1914, to treat his oil by my process covered by my patent No. 1,093,098 and by the invention which was subsequently patented by my patent No. 1,223,659. A few days after this contract was made I went to Tanaha and began the installation of a treating plant. Under this contract I furnished the chemicals used in treating their oil and I was reimbursed for these chemicals by this company at the cost to me, and the contract particularly stipulates that I need not furnish an itemized statement of the chemicals purchased by me but must furnish a sworn statement before a Notary Public on the money spent by me in purchasing these chemicals.' "

Barnickel further testified [R. pp. 891-2]:

" 'I was treating oil for the Texas Company and for several other smaller companies, on a commercial scale.

" 'During the winter of 1914 I made a trip to Oklahoma to put in a plant for treating oil with sodium oleate, and while there treated a number of barrels with oleic acid alone, sulfo-oleic acid, and a mixture of phenol, sulfuric acid and oleic acid, with a view to seeing which of these worked best on larger quantities."

In his testimony in the case of *Lehman, et al. v. Producers & Refiners Corp.* (18 Fed. (2d) 492), Barnickel testified (Deft. Ex. D, pp. 58, 59):

"After working again with the Texas Company they allowed me to put a large experimental plant on

one of their leases in the Cushing field. I did this at my own expense. I wanted to determine for myself which of the formulae, which I had been experimenting with, would be best to use generally on a large scale in treating these oils. At this plant I made up various mixtures; I built a little laboratory there so that I could do my work accurately.

"The reason I was so anxious and active in this was that there was going to waste 50,000 barrels of oil per day, of this kind of oil. I took this matter up with the officials of the Texas Company and they had agreed to build steel storage tanks of 55,000 barrels capacity and back me up in the project of saving all of this oil because they contemplated that by fall of that year oil would be worth a dollar, a barrel. It is a fact that in the spring of that year, 1915, oil was worth only about twenty or thirty cents a barrel. * * *

"I was not able to get any product manufactured, and I made every test and experiment on a large scale, on the scale of 4000 barrels per day; that was the size of my plant. * * *

"I gave all of the oil which I recovered in the experimental plants to The Texas Oil Company to burn in their boilers; I did not receive a cent for it. I was doing this to determine experimentally what was the best process. *I carried this plant on for a period of about six months.*" (Italics ours.)

Certainly the treatment of 4000 barrels per day for a period of about six months is commercial scale operation, —regardless of whether or not Barnickel termed it experimental.

Barnickel's testimony in the *P. & R.* case (Deft. Ex. "D") thus lends further emphasis to his reduction to practice disclosed in the interference proceedings. (Deft. Ex. "C".)

The interference matter was received in evidence as admissions against interest, and so constitutes undisputed evidence for defendants' showing of abandonment.

Barnickel testified [Deft. Ex. "C", R. p. 907]:

> "* * * a sulfo-fatty acid, as defined in the counts of these two interferences is acid. * * *"

and admitted under oath that he had sold large quantities of this chemical treating agent as defined in the issue of the interference. The record shows [R. pp. 592, 593, 616, 619, 622, 1001] that Barnickel used caustic soda as a neutralizing agent in 1914 and prior thereto. It is apparent that he could have used a neutralized product in 1914 wherever he wished,—but for the purpose of prevailing in the interferences, he found it necessary to show commercial use of a "sulfo-fatty acid *as such.*" In awarding Barnickel the issue in interference,—*a sulfo-fatty acid as such,* patent for which was first applied for by Dons, the examiners in the interference proceedings necessarily limited inquiry and findings as to whom was the first inventor of the claims in interference and not as to validity. And so they said [R. p. 955]:

> "We think any delay on the part of Barnickel either in filing his application or in making use of sulfo-fatty acid sold commercially is immaterial to a decision in this interference."

After Barnickel had prevailed in the interferences, he then attempted to obtain claims on "neutral products" and "neutralized products" [Def. Ex. "B," Book of Exhibits, p. 373], but these were rejected with the statement by the patent examiner:

> "These terms are not found in the original disclosure and should hence be cancelled."

This conclusively shows why Barnickel did not show reduction to practice to a neutralized product in his interference proceedings.

Whether Barnickel's reduction to practice at Tanaha in 1914 [R. p. 892] was in connection with a compound or agent made up by Barnickel with material purchased by himself in small lots or with a compound or agent which he made up from red oil and caustic soda shipped to him by Goodwin Manufacturing Company and Henry Heil Chemical Company, of St. Louis, Missouri, in large quantities on several occasions, is immaterial, particularly in view of plaintiffs' Turkey-red oil interpretation.

Mr. Bakewell, Barnickel's attorney in the interference proceedings, admitted in his statement to the Examiner of Interferences that the use of the sulfo-fatty acid compound of patent No. 1,467,831 had been in commercial use.

The agent, admittedly used in commercial quantities by Barnickel for treating oil for the Mt. Vernon Oil Company at Tanaha, Oklahoma, in 1914, was compounded by Barnickel on the property from red oil made by Goodwin Manufacturing Company with caustic soda purchased from Henry Heil Chemical Company and shipped to Barnickel from St. Louis, Missouri. [R. pp. 592-595, 961, 962, 1001.]

This red oil used by Barnickel consisted of oleic acid extracted from tallow or grease, including preliminary treatment with a sufficient quantity of sulfuric acid [R. p. 998], and to which was finally added 2% by volume of strong sulfuric acid. [R. pp. 977, 998, 1002, 1003.]

Plaintiffs' expert, Dr. Morse, testified [R. pp. 1115-1116] that the addition of 2% by volume of concentrated sulfuric acid to a fatty acid (such as oleic acid) would produce a sulfo-fatty acid.

Used alone as sulfonated oleic acid or reacted with caustic soda to form a neutralized product, this, according

to plaintiffs' own witnesses, was sulfo-fatty acid or Turkey-red oil constituting the treating agent of patent No. 1,467,831.

Monson, plaintiffs' expert chemist, testified:

> "* * * Turkey-red oils range from oil containing only small amounts of organically combined SO_3, in other words, relatively small amounts of sulfur containing acids, to other oils which contain relatively large amounts." [R. p. 443.]
>
> "* * * Sulfonated oil refers to the origin of the material rather than to a specific component of it; and sulfonated oils are those oils which are obtained by the action of sulfuric acid on a fatty acid in free or combined form." [R. p. 445.]
>
> "I have read from one reference which says that Turkey-red oils practically free from sulfur acids may be as effective as those rich in sulfur." [R. p. 447.]

The red oil or oleic acid which Barnickel neutralized with caustic soda in making up his treating agent, used commercially at Tanaha in 1914, was Turkey-red oil within the meaning of the term ascribed to it by plaintiffs in attempting to bring both the modified fatty acid patent No. 1,467,831 and defendants' agent Hydrate 488 within that term for proof of infringement.

J. E. Brammer, secretary, and J. L. Carey and George B. Orr, stockholders, in the Mt. Vernon Oil Company, witnesses called by plaintiffs, but whose depositions were offered by defendants, testified that Barnickel did not throw away any of the oil which he had treated, but turned it all into good oil which was sold, regardless of the amount or character of chemical he used. [R. pp. 1006-1016, 1176; 1204-1207.]

John S. Lehmann, Barnickel's associate and president of the Tretolite Company, testified that the red oil or oleic acid which Barnickel bought from the Goodwin Manufacturing Company was not billed as such, but as "number so and so of some compound" and that Barnickel had a contract [Def. Ex. "Y"] with the Mount Vernon Oil Company for a percentage of the oil which he treated for them: that Barnickel didn't get the actual oil but received his percentage of the purchase price of the oil when the Mt. Vernon Oil Company had sold it and received payment for it. [R. p. 594.]

John Croft, a witness called by plaintiffs, testified [R. pp. 1155-1159] that Barnickel treated the Mt. Vernon oil with a red liquid, which he took directly from the barrels that were shipped him and that he pumped this red liquid gradually into the oil, while the oil was being circulated from one tank to the other.

Although Barnickel's sworn statements, as "Admissions Against Interest," constitute evidence requiring no corroboration, the foregoing, aside from being corroborative, lends further emphasis to Barnickel's commercial use of his alleged invention of the modified fatty acid patent in the years 1914, 1915, 1916, and 1917.

It is therefore submitted that the modified fatty acid patent No. 1,467,831 is invalid by reason of abandonment by prior public use.

In *Wailes Dove-Hermiston Corporation v. Oklahoma Contracting Co.* (C. C. A. 5th Cir.), 56 Fed. (2d) 143, 144, Walker, Circuit Judge, held:

> "The patentees publicly used the patented method in coating fifty miles of pipe in a job in which about eighty miles of pipe were coated. That job was commenced in the latter part of June, 1926, and was finished the first week of December, 1926. The coating was done under a contract which provided for it

being paid for at a stated price per lineal foot. The contract price for the coating in which the patent method was used, amounting to over $70,000, was promptly paid when the job was done. It is quite apparent that the main purpose of the just mentioned use of the method in question was for profit, and that a purpose to make the job a means of testing the durability of a coating by the patented method of large pipe buried underground was merely incidental. Such a public use of the method in business and for profit more than two years prior to the application was a bar to the applicant's right to a patent. 35 U. S. C. A., Sec. 31; Smith & Griggs Mfg. Co. v. Sprague, 123 U. S. 249, 8 S. Ct. 122, 31 L. Ed. 141. Andrews v. Hovey, 123 U. S. 267, 8 S. Ct. 101, 31 L. Ed. 160."

Other cases, see Appendix page 17.

Abandonment by Suppression of the Invention.

Should this Court determine that Barnickel's use of his invention was not a public one, then it follows that the modified fatty acid patent is invalid by Barnickel's secret use for profit.

From Barnickel's own testimony given in the interference proceedings referred to, and from that of John S. Lehmann, president of plaintiff, The Tretolite Company, before the Special Master, it appears conclusively that Barnickel had complete conception of the process covered by patent No. 1,467,831 at least as early as his conception of that of his previous "Water Softener" patent, *i. e.*, in the spring of 1913, but intentionally refrained from application for patent for it until forced to do so through fear of losing his rights to it to others whom he learned were seeking patent for it.

In his amended preliminary statement in Interference No. 43290 [R. p. 887] in which the modified fatty acid patent was involved, Barnickel said:

> " 'That he conceived the invention defined in the issue of this interference during the Spring of 1913; disclosed the said invention to others at that time and also prepared a written description of said invention at that time.' "

Also in his testimony in said interference [R. p. 899] Barnickel said:

> " 'A. I disclosed it first to Mr. J. S. Lehmann of St. Louis, about the latter part of April, 1913, and soon thereafter to Mr. H. L. Nickel, of St. Louis. I also disclosed it to the chemist at Waltke Soap Co. of St. Louis, whose name I do not remember now, and later, in the same year, during the summer, of 1913, I disclosed it to Carl G. Hinrichs, who is one of the parties opposed to me in this Interference.' "

Barnickel's suppression [R. pp. 905, 906, 914] of knowledge of the process from the public from November 19, 1914, when he filed application for his "water softener" patent, until January 4, 1919, when compelled to file application for patent No. 1,467,831 to prevent others from securing patent for it, constitutes abandonment of the invention rendering issuance thereof invalid.

Such suppression of the invention for six years after its conception, and particularly for the five years after his application for the "water softener" patent in which the more specific form of the invention should have been disclosed if Barnickel were acting in good faith, constitutes an attempted extension of the patent monopoly beyond the statutory term which the law does not permit. Issuance of patent No. 1,467,831 having been thus in-

tentionally delayed has given Barnickel and his successors, the present plaintiffs, a monopoly on the process for five years beyond that to which they were entitled.

In *Macbeth-Evans Glass Co. v. General Electric Co.* (C. C. A. 6), 246 Fed. 695, 697, 699, 700, Warrington, Circuit Judge, said:

> "(1, 2) The question is whether one who has discovered and perfected an invention can employ it secretly more than nine years for purposes only of profit, and then, upon encountering difficulty in preserving his secret, rightfully secure a patent, and thus in effect extend his previous monopoly for the further period fixed by the patent laws * * *.
>
> "When Macbeth perfected his invention in 1903 he and his company evidently concluded to control and use it for purposes of profit, and to work out these ends by practicing the invention in secret and placing the product on public sale. The plain object of such a course was to exclude others from using the invention and to secure its benefits for themselves. The adoption of this course signified by necessary implication a belief that the nature of the invention would enable them in this way to protect it for a substantial period of time, if not for a longer time than could be secured under the patent laws. The result shows that their belief was justified for a period of nearly ten years. True, it is admitted and rightly that the inventor and his company adopted and pursued this plan with knowledge that the invention, as already pointed out, furnished them no protection against use by others who might honestly discover it. This, however, inevitably concedes an intent either to abandon the right to secure protection under the patent laws, or to retain such right and if necessity

should arise then to obtain through a patent a practical extension of any previous exclusive use (secured through secrecy) into a total period beyond the express limitation fixed by those laws * * *.

"When a patent expires, the right to practice the invention thus becomes available to everybody. The object of such a limitation and disclosure was to secure to the public the full benefits of patented objects as speedily as was consistent with reasonable stimulation of invention. If then we assume that the course adopted by the present inventor and his assignee did not contemplate an intent to abandon the right to secure a patent, it certainly did contemplate an indefinite delay in disclosure of the invention and a practical and substantial enlargement of any period of monopoly recognized by statute. Can it be doubted that this was opposed to a declared and subsisting public policy?"

Other cases, see Appendix pages 14-16.

(c) Anticipation;

(d) Lack of Invention;

(e) Double Patenting.

The British patent No. 4481 of 1906 [Def. Ex. W-15, Book of Exhibits, p. 465] and the British patent No. 11,877 of 1906 [Def. Ex. W-16, Book of Exhibits, p. 471] have been considered together by the Master [R. p. 143] and will be treated likewise here.

The British patent No. 4481 [Def. Ex. W-15] describes in detail the sulfo-oleic acid process for separating the liquid olein from solid stearin and gives a method of manufacture for sulfo-oleic acid. The process is sum-

marized on page 1, lines 11-12 of the British patent as follows:

> "The said process utilizes a property of sulfo-oleic acid whereby the separation of the oleic acid from the solid fatty acids is effected."

The British patent No. 11,877 shows *the substance* to be *separated* as constituting an *emulsion.* [P. 1, lines 5-11; Book of Exhibits, p. 472.]

> "This invention has for its object filtering apparatus that is generally applicable for separating the substances *constituting an emulsion* and when one of the substances consists of solid matter in a fine state of subdivision, and is of a character tending to choke the interstices of the filtering medium such as wire gauze and the like." (Italics ours.)

And specifies the use of sulfo-oleic acid (*a sulfo-fatty acid*), as a means of separation [p. 2, lines 15-22]:

> "When it is desired by means of the above described apparatus to separate stearine from olein by means of the sulfo-oleic acid process, a suitable quantity of finely divided fatty acids is laid upon the filtering surface and is washed several times with acidulated water at 2° Be, to which is added a small quantity of sulfo-oleic acid, the whole being maintained at a temperature of 25° C. The olein is thus separated and passes thru the filter together with the water, while the small crystals of stearine are retained upon same."

In referring to this patent, the Master in his report [R. p. 143], stated that:

> "If an emulsion is formed it is after washing with the acid."

It is submitted that there is no foundation for such a statement. It requires no knowledge of chemistry to be able to read simple statements (such as quoted from the Lanza patents) to the effect that there is an emulsion to be separated and that it is separated on a filtering apparatus by washing with a solution of sulfo-oleic acid. The emulsion is there prior to the treatment with sulfo-oleic acid. Nothing is said about an emulsion being formed after this step. Nevertheless, the Master ignored defendants' showing and included this unfounded statement in his final report.

The court, however, recognized defendants' contention, when it stated in its "Memorandum of Conclusions" [R. p. 175]:

> "It further appearing that although *sulfo-oleic acid* is mentioned in the British patent to Lanza in connection with the *separation of an emulsion* of solid stearine in the liquid olein, * * *" (Italics ours.)

but then continues in its interpretation of what was stated publicly by Lanza in 1906 as *an emulsion* that could be *separated by use of sulfo-oleic acid* was not an emulsion, because one of the constituents of said emulsion was not a liquid.

It is needless to say that these two Lanza patents show the state of the art, by the statements therein relative to separating the constituents of an emulsion and thereby their particular adaptation to this case. One, reading that sulfo-oleic acid (a sulfo-fatty acid) would separate the constituents of an emulsion, would immediately turn to sulfo-oleic acid as a means of separating a crude oil emulsion. It is common knowledge in the oil fields that some oil field emulsions are pumped out of the ground in the semi-solid state and that most bottom settlings are semi-solid [Pltffs. Ex. 52, Book of Exhibits, p. 99], containing either paraffin, wax or asphaltum. With heating, these emulsions and bottom settlings become oils in the

same manner as butter and stearine become oils on the application of heat. Even one not skilled in the art, would try sulfo-oleic acid to separate a crude oil emulsion, upon reading that sulfo-oleic acid would separate an emulsion, such as described in the Lanza patents.

Barnickel has therefore shown nothing new about separating emulsions that was not already known many years before he applied for his patent. That the stated emulsion is not of the crude oil type is immaterial, as anyone wishing to break a crude oil emulsion would readily apply the teachings of the Lanza patents for the solution of his problem. Barnickel, himself, testified that in attempting to discover an agent for breaking crude oil emulsions he turned first to his previous experiments in resolving emulsions of codliver oil. [Def. Ex. C, pp. 3-4; Def. Ex. D, p. 52.]

Patent No. 1,467,831 is therefore void for lack of invention in view of the showing of these patents.

In *Remington Rand Business Service, Inc. v. Acme Card System Co.* (C. C. A. 4th Cir.), 71 Fed. (2d) 634-5, Soper, Circuit Judge stated:

> "It is not necessary, however, for the purpose in view, that the Anchell patent be considered a complete anticipation to the patent in suit. *It is sufficient that it suggests to one interested in the problem the means of solving it.*" (Italics ours.)

The Rogers Patent.

The patent to Rogers on "Treatment of Emulsion Oils" [Def. Ex. W-8, Book of Exhibits, p. 439] was applied for January 26, 1918, and granted April 1, 1919.

It is hard to reconcile the Master's statement regarding the Rogers patent [R. p. 143]:

> "This patent was applied for after the effective date of the Barnickel invention and for that reason can not anticipate,"

with his statement regarding Barnickel's invention of the modified fatty acid patent on page 24 of his report that [R. p. 147]:

> "For the purpose of this case it can be assumed that the reduction to practice was the filing of his application for the patent."

If the "effective date" of Barnickel's modified fatty acid patent be, as assumed by the Master, to-wit, January 4, 1919, Barnickel's filing date, then the Rogers patent (which was applied for January 26, 1918), *is a valid reference,* and the Barnickel patent is not only void for lack of invention, but is also anticipated by the Rogers patent, on plaintiffs' own interpretation of their patent. On the other hand, if the date, 1914, is shown as the effective date of the modified fatty acid patent, then this patent is invalid under the defense of abandonment.

Although defendants are accorded the privilege of availing themselves of inconsistent defenses,

> *Specialty Brass Co. v. Sette, et al.*, 22 Fed. (2d) 964 (C. C. A. 7th Cir.);
>
> *Walsh v. Wahl Co.*, 25 Fed. (2d) 350,

it can readily be seen that in this case, the only thing that may appear as inconsistent with regard to the above stated defenses is with respect to what constitutes *the effective date* of Barnickel's modified fatty acid patent. Defendants maintain that the patent is invalid under either the 1919 or the 1914 date, as referred to above.

In certain instances, plaintiffs have argued that what differentiates the fatty substances of their modified fatty acid patent from the fatty compounds of their prior water softener patent, is the *sulfo* portion of the fatty compound of their modified fatty acid patent. Plaintiffs' expert,

Monson, shows in his chart [Pltffs. Ex. 17, Book of Exhibits, p. 31; R. pp. 349-350, 369] the "*Sulfonic* Type of *Sulfo*ricinoleic Acid," containing the sulfo or sulfonic acid grouping—SO_3H as distinguished from the fatty acid "Ricinoleic Acid," which does not contain said sulfo-acid grouping.

Therefore, plaintiffs must admit that Rogers pointed out this sulfonic or sulfo-acid grouping, when in describing his treatment of emulsions of mineral oil and water, he stated [Def. Ex. W-8, Book of Exhibits, p. 439, lines 17-26]:

> "* * * Sulfonic acids suitable for this use are now produced in considerable quantities in the treatment of high viscosity oils with fuming sulfuric acid * * *. I prefer to employ the sodium salt of such a sulfonic acid, which may be obtained by the direct neutralization of the acid with commercial sodium carbonate (normal)."

Petroff [Def. Ex. "B-B," Book of Exhibits, p. 515] also shows the sulfonic acids produced by sulfonation of mineral oil as sulfo-acids.

Furthermore, Barnickel, in his original claim 13 [Def. Ex. "B," p. 13; Book of Exhibits, p. 329] classified sulfonic acids of mineral oil and their salts as derivatives of the fatty acids in the following words:

> "*any derivative of the fatty acids, such as* their salts, esters, ketones, sulfonates, sulfo-aromatic compounds, sulfurized fatty acids, organic *sulfonic acids of mineral oils and their salts.*" (Italics ours.)

It is therefore submitted that under plaintiffs' assertion of January 4, 1919, being the effective date of their modified fatty acid patent, that said patent is void for lack of invention.

With plaintiffs maintaining Turkey-red oil, with its inclusion of *neutralized products and salts* as the agent of their modified fatty acid patent, the patent to Rogers constitutes a complete anticipation.

In addition to his specification, Rogers in an affidavit [R. p. 1090] filed as part of his application on April 25, 1918, said:

> "Test #4. * * * Another sample of the same B. S. was treated with turkey red oil in the proportion of two pounds to the barrel. This was heated at a temperature of 150° F. for one and one-half hours. At the end of this time there was practically a complete separation of clear oil and clear water. The sample of B. S. so treated has been marked Sample #4."

Plaintiffs' expert, Dr. Morse, also testified [R. p. 1137] that he classified sulfonic acids produced by the sulfonation of mineral oil as sulfonated petroleum acids. Lewkowitsch and Petroff [Def. Ex. "BB," Book of Exhibits, p. 513] classified such acids as Turkey-red oil.

Rogers also conforms to plaintiffs' inclusion of salts of sulfonic acids as the agent of their modified fatty acid patent by his claim 4 [Def. Ex. W-8, Book of Exhibits, p. 440], which reads as follows:

> "4. The method of treating emulsions of mineral oil and water which consists in adding thereto the water-soluble salts of sulfonic acid produced by the sulfonation of mineral oil and maintaining the mixture at an elevated temperature until stratification takes place."

Thus, according to plaintiffs' own contention, the Rogers patent forms complete anticipation of the modified fatty acid patent.

The Russian Patent to Berkgan.

The Berkgan patent was admitted in evidence as Defendants' Exhibit W-11 [Book of Exhibits, p. 441], by the Master over plaintiffs' strenuous objections, the Master stating fully his reasons for accepting same, as follows [R. pp. 790-791]:

> "I am inclined to think that you have substantially complied with the old rule as to the proof of foreign public documents. You have a certificate bearing an unintelligible signature, and then you have the certificate of Mr. Shakhov, whom the Vice Consul of the United States states was authorized to sign for the Chief of the Consular Bureau of the People's Commissariat for Foreign Affairs, duly commissioned and qualified, to whose official acts faith and credit are due. There is the consular certificate."

The Russian patent to Berkgan shows on its face that it was granted on the 30th day of April, 1914, and the pertinency of this foreign patent was recognized by counsel for plaintiffs, as it is the only foreign patent that plaintiffs refused to stipulate as to the introduction of unproven copies.

The Master in his report [R. p. 142] states:

> "Berkgan was dealing with the same problems as Barnickel."

The Berkgan patent discloses the use of naphthenic acids of the type recovered from sulfuric acid treatment in the refining of mineral oil [Def. Exhibit W-11; Book of Exhibits, pp. 457-459], for separating crude oil emulsions. Rogers [Def. Exhibit W-8, Book of Exhibits, p. 439] shows that the sulfuric acid treatment of mineral oil produces sulfonic acids, while Schmitz [Def. Ex.

W-18, pp. 14-15 of translation] also shows that the type of naphthentic acids which Berkgan proposed to employ for breaking crude oil emulsions contain sulfo-acid derivatives as follows:

> "In fact the naphthenic acids are obtained directly after the refining with sulfuric acid and are, as it is claimed by many authors, a mixture of ordinary naphthenic acid with sulfo-acid derivatives."

As shown under the discussion of the Rogers patent (This Brief, pp. 34-35), the prior use of sulfo acid derivatives of mineral oils for separating crude oil emulsions, renders the modified fatty acid patent void for lack of invention. The Russian patent to Berkgan, being granted April 30, 1914, thereby invalidates the modified fatty acid patent No. 1,467,831.

Having taken the position that Turkey-red oil is the agent of their patent, plaintiffs cannot escape finding of anticipation on the same premise.

By plaintiffs' own theory, if the naphthenic acid, constituting Berkgan's treating agent, is a Turkey-red oil, the Berkgan patent is an anticipation of the modified fatty acid patent.

Plaintiffs' expert, Dr. Morse, includes sulfo-acids among the Turkey-red oils [R. p. 1055]. Moreover, the naphthenic acids, which Berkgan proposed to use, are shown in Lewkowitsch [Defts. Ex. "BB", p. 215] and in the supporting reference attached thereto (British patent to Petroff No. 19,759 of Oct. 29, 1913) as a Turkey-red oil. Lewkowitsch states that [Def. Ex. "BB", Book of Exhibits, p. 513]:

> "The production of Turkey-red oil by sulfonating the petroleum acids (naphthenic acids) has been patented by Petroff."

The Berkgan patent [Def. Ex. W-11] is therefore, according to plaintiffs' own theory and argument, a complete anticipation of patent No. 1,467,831.

THE APPLICATION OF VARIOUS UNPATENTED CHEMICALS TO THE KNOWN PROCESS OF BREAKING EMULSIONS IS NOT INVENTION, BUT DEPENDS UPON THE SKILL OF THE CHEMIST.

As shown heretofore, the prior art, such as the Berkgan patent and Barnickel's expired sulfate and water-softener patents disclose the process of treating emulsion. It then falls upon the chemist to determine the type of chemical to use for the particular emulsion to be treated. Finding out which chemical material is best suited for treatment of said emulsion is not invention—particularly if the chemical itself is not a new or patented material.

Plaintiff offered in evidence the article by Sherrick with regard to the treatment of crude oil emulsions, as Plaintiffs' Exhibit 52, wherein [Book of Exhibits, p. 97] is stated the following:

> "The type of emulsion formed by any given oil with water depends primarily upon the nature of the emulsifying substance. Bancroft has explained this from the standpoint of surface tension. In a general way, however, the following applies: An oil-in-water emulsion is formed by the use of a water-soluble colloid as emulsifier; a water-in-oil emulsion is formed by the use of an oil-soluble colloid. * * *."
>
> "* * * Certain water-soluble colloids, such as sodium oleate and the sodium salts of certain sulfonic acids render these emulsions unstable and precipitate the water if added in proper proportion. This is indeed what one might expect if the original emulsi-

> fying agent were an oil soluble colloid as the action of two such colloids must be antagonistic, the one tending to form water-in-oil and the other tending to form an oil-in-water emulsion. The precipitating colloid must, however, be added in exactly sufficient quantity to neutralize the effect of the original emulsifying colloid. If too large an excess is added it may bring about simply a phase reversal, changing the emulsion from the water-in-oil type to the oil-in-water type."

By actual experiment performed at the hearing before the Master, defendants' expert, Dr. Born, demonstrated [R. pp. 847-849] this phase reversal of changing the emulsion from the water-in-oil type to the oil-in-water type. The crude oil emulsion upon which the demonstration was made was that obtained from the California Production Company's No. 2 Well, to wit, the emulsion concerned with in plaintiffs' suit for infringement.

On cross-examination, Dr. Born also testified [R. pp. 851-52] that he could find out just how much soap solution would be necessary to break the emulsion by trying different increasing amounts thereof;—and thought that one would have to go through the stage of first breaking the emulsion originally present before getting the reversed type of emulsion [R. p. 856].

Plaintiffs' witness, Monson, then attempted to gainsay defendants' evidence of open demonstration, by reference to an involved procedure [R. pp. 1145-1148], which he said, showed that the reversed emulsion was a multiple emulsion. On cross-examination, Monson attempted to evade answering the question with respect to obtaining breaking and separation of the original *emulsion*, but finally stated that he obtained a separation [R. p. 1149].

With his knowledge of antagonistic colloids for breaking emulsions and of the various chemicals available, the chemist relies on his skill for obtaining the type of chemical material best suited for breaking and separating a particular emulsion to be treated.

It is herewith submitted that the application of chemicals,—which in themselves are not new and patented,—for use in a process which is old, is not invention, and that the modified fatty acid patent No. 1,467,831 is void for lack of invention.

In the case of *Texas Co. v. Sinclair Refining Co.*, 87 Fed. (2d) 690 (C. C. A. 2nd Cir.), the court found the patent invalid for lack of invention and stated:

> "* * * The inventors had merely found a new equilibrium between factors whose action and resultant were well known. Given the need, these pointed at least to experiments out of which the right grease would inevitably be detected. No more was needed than intelligence to perceive the cause of the failure of the old 'water grease' to meet the new conditions, and application of the well-understood principles of grease-making. * * * The patent seems to us another instance of a kind which must become more and more common, as the arts advance in understanding and multiplication of detail, only a corollary of what had gone before, demanding no more than the competent use of knowledge already at hand. * * *."

Double Patenting.

Barnickel, in his interference proceedings, testified that the reagents of his water-softener patent corresponded to sulfo-fatty acids and their compounds and that they were covered in his water-softener patent [R. pp. 895,

97, 910, 913, 919, 923-24], and pointed out specifically where the "modified fatty acid" process was completely disclosed in his water-softener patent.

Referring to patent 1,223,659, page 2, line 62 [Book of Exhibits, p. 4]:

> "* * * oleic acid, rosin or the fatty substances from which soaps are made."

Barnickel testified [R. pp. 910, 913]:

> "This statement covers the use of a sulfo-fatty acid because it is a fatty acid from which soaps are made and in addition to that it is a suitable water softening agent."

Then referring to claim 2 of his water-softener patent [Plaintiffs' Ex. 1, p. 4, Book of Exhibits, p. 6]:

> "* * * a soluble sulfate, a soluble silicate, a soluble soap, oleic acid, rosin or any of the fatty substances from which soaps are made, or a combination of two or more of the aforesaid chemicals * * *."

Barnickel testified [R. p. 919]:

> "* * * that this claim doubly covered any sulfo-fatty compound because sulfuric acid is hydrogen sulfate, a soluble sulfate, and when combined with oleic acid it is a combination of one or more of the afore-mentioned substances in the claim * * *."

Plaintiffs' testimony shows that in Barnickel's above quoted testimony, oleic acid is a fatty acid,—that sulfuric acid is a reagent,—and that the product of reaction of sulfuric acid and oleic acid is a sulfo-fatty acid, which plaintiffs also term a "modified fatty acid."

Barnickel also made the following admission [R. p. 923]:

"'Q. 38—Are sulfo-fatty acids water softening agents?

'A.—Most certainly they are, as I know from actual experiments performed in my laboratory with them.'"

These admissions made by Barnickel were introduced as *"Admissions Against Interest* and *require no corroboration."* Barnickel's modified fatty acid patent No. 1,467,831, inclusive of claims 1, 2, 4, 7, 8, 9 and 10 in suit, is therefore invalid on the ground of double patenting.

As to the ruling made by the Examiner in the Interference Proceedings, *this was not as to whether Barnickel's application for patent was valid,* but was only as to whether Dons or Hinrichs or Barnickel was the first inventor and that question *only as between the parties involved in the Interference.*

In answer to plaintiffs' contention that the relation of the modified fatty acid patent to the water-softener patent is that of a specific agent to a generic class of water-softeners, and that, therefore, no double-patenting had occurred, the law in respect to this issue shows that even such contention cannot apply.

In *Miller v. Eagle Mfg. Co.,* 151 U. S. 186, 38 L. Ed. 121, 128,—the court stated:

"The result of the foregoing and other authorities is that no patent can issue for an invention actually covered by a former patent, especially to the same patentee, although the terms of the claims may differ;"

Cutler Hammer Mfg. Co. v. Beaver Machine & Tool Co., Inc. (C. C. A. 2nd Cir.), 5 Fed. (2d) 457, 461.

PLAINTIFFS SHOW FURTHER EVIDENCE OF DOUBLE PATENTING BY ASSERTING THAT NEUTRALIZED PRODUCTS, SALTS, AND TURKEY-RED OILS, ARE AGENTS OF THEIR MODIFIED FATTY ACID PATENT.

In the interference proceedings, Barnickel testified, in referring to claim 2 of his water-softener patent wherein is shown a "soluble soap" or "any of the fatty substances from which soaps are made" [R. p. 919]:

> "* * * It (sulfo-fatty compound) is also a fatty substance from which soaps are made, and *when it is neutralized,* as is mentioned in Hinrich's testimony several times, *it is a soap.*" (Italics ours.)

Barnickel also testified [R. p. 921]:

> "And sulfo-ricin-oleic acid certainly is a fatty substance, and a *salt of sulfo-ricin-oleic* acid *is a soap.*" (Italics ours.)

Barnickel thereby showed that what Hinrichs was trying to patent was what he, Barnickel, already had in his water-softener patent, and that therefore Hinrichs was not entitled to a patent on such neutralized products, salts and soaps. This testimony now becomes Barnickel's Admission Against Interest and thereby invalidates his modified fatty acid patent by reason of double patenting.

In the case at bar, Dr. Morse, plaintiffs' expert, testified that Turkey-red oil was the agent of the patent [R. p. 1113] and that Turkey-red oil is a soluble, textile soap of the class including Monopole soap, Ipso soap, etc.; and that if he encountered an oil field emulsion which he could not break with ordinary household soaps, he might, as a chemist wishing to practice the process of the water-softener patent in suit, turn to other soaps [R. pp. 1133-1136].

With plaintiffs contending that Barnickel's modified fatty acid patent is entitled to neutralized products and salts (which are also termed soaps [R. p. 649, 919]),—despite the rejection and cancellation of same from the claims, plaintiffs must then concede that Barnickel himself, recognized the soluble soaps as substitution products of the class described in the modified fatty acid patent when he made exception to same as of the class described by his reference (Patent No. 1,467,831, page 1, lines 93-100).

The Master states [R. p. 141]:

> "*Common soaps* of the kind mentioned in the first patent (No. 1,223,659) are specifically excluded from the classification (modified fatty acid)." (Italics ours.)

The reference to soaps in patent No. 1,223,659 appears on page 2, line 58, as "*soluble soaps*". Although the term "soluble soaps" includes common soaps as well as other soaps, such as specifically shown by Barnickel in his interference proceedings and in the specification of his patent, the term "common soaps" does not appear in either patent No. 1,223,659 or patent No. 1,467,831. The reference to Turkey-red oil, monopole soap and iso soap as *textile* soap [R. pp. 1134-5] plaintiffs' expert, Dr. Morse, testified as follows [R. p. 1135]:

> "Q. Is it (textile soap) soluble in the same sense that any soap is soluble?
>
> A. I think so, yes."

Plaintiffs' Exhibit 58, page 22 [Bk. of Exhibits, p. 131] and Plaintiffs' Exhibit 62, p. 138 [Book of Exhibits, p. 185] on "Textile Soaps and Oils" show the use of rancid olive oil, containing fatty acids (oleic acid, etc.), in

admixture with an aqueous solution of sodium carbonate as "Turkey-red oil." This is identical with some of the preferred reagents of Barnickel's water-softener patent 1,223,659 [Pltffs. Ex. 1, p. 2, lines 50-69; Book of Exhibits, p. 4].

It is apparent from plaintiffs' own contention and evidence that patenting of the "modified fatty acid" process was mere repatenting of their prior water-softener patent No. 1,223,659.

Abandonment by Publication.

Should the court hold that the defense of Double Patenting fails, then the evidence there discussed together with the following clearly establishes that Barnickel abandoned his invention by publication of the same in the Water Softener Patent.

According to Barnickel's own testimony, the modified fatty acid process of his patent No. 1,467,831 is completely disclosed in his prior patent No. 1,223,659. In the interference proceedings referred to, through which he was seeking to either secure a patent on the modified fatty acid process for himself, or failing that, to prevent its issuance to his adversaries there, he testified [R. p. 919]:

> " 'I did not think it was necessary to withhold anything from Carl because I had explicit confidence in him and in this connection I told him that any derivatives of oleic acid would treat oil, and at one time in reading over the specification which I had drawn up for the patent No. 1,223,659 I stated that in claim 2 where it says, line 2, p. 4, "a soluble sulfate, a soluble silicate, soluble soap, oleic acid, rosin, or any of the fatty substances from which soaps are

made or a combination of two or more of the aforesaid chemicals" or "a combination of one or more of same" that this claim doubly covered any sulphofatty compound because sulfuric acid is hydrogen sulfate, a soluble sulfate, and when combined with oleic acid it is a combination of one or more of the aforementioned substances in the claim. It is also a fatty substance from which soaps are made, and when it is neutralized, as is mentioned in Hinrichs testimony several times, it is a soap. At the College of Pharmacy where I studied chemistry under Carl's father we always spoke of sulfuric acid as hydrogen sulfate, in speaking of chemical reactions. I therefore felt perfectly certain that sulfuric acid was covered by the words "a soluble sulfate".'"

It must be kept in mind that the interference proceedings were instigated for the sole purpose of determining priority of invention of the modified fatty acid process as between the parties to the interference; the question of invalidity of the patent for prior publication or use, even by Barnickel himself was not there involved.

In pointing out his "modified fatty acid" process in his prior patent No. 1,223,659, Barnickel thereby rendered his modified fatty acid patent No. 1,467,831 invalid by reason of *abandonment by publication.*

In *King Ventilating Co. v. St. James Ventilating Co. et al.,* 17 Fed. (2d) 165 (affirmed 26 Fed. (2d) 357):

> "There is some intimation in the record that the word 'asbestone' was Cooper's design; but his own publication, disclosing a design more than two years prior to filing an application for a patent, is a disclosure which precludes the grant of a valid patent thereon."

POINT II.

That Defendants Did Not Jointly or Severally Infringe The Patent or Contribute to Infringement Thereof and Particularly of Claims 1, 2, 4 and 7 to 10, Inclusive, Thereof, or of Any of Said Claims.

Defendants' product,—a sulfonated oil,—is made by reaction with fuming sulfuric acid and castor oil.

Plaintiffs' expert witness, Monson, testified that castor oil was a glyceride [R. p. 313] and also stated [R. p. 465]:

> "No,—a glyceride is not a fatty acid."

This was corroborated by the evidence given by defendant, Herbsman [R. p. 638], and by plaintiffs' expert, Dr. Morse [R. p. 1133].

The Master recognized that in defendants' material no fatty acid is present for the reagent, fuming sulfuric acid, to modify, when in his finding [R. p. 148] he stated that ricinoleic acid is not produced in the sulfonation of castor oil by the reagent, fuming sulfuric acid, in the production of Hydrate 488.

In the work by Lewkowitsch, upon whom plaintiffs have relied as an authority, this fact is also shown [Deft. Ex. "I", Book of Exhibits, pp. 401-2], that the glycerides are not broken up into fatty acids when making sulfonated oils.

As defendants have no fatty acid to modify, their product cannot be a modified fatty acid.

On cross-examination, Herbsman testified [R. pp. 641-2]:

> "Q—Referring to your answer that Hydrate 488 is not a modified fatty acid, state whether or not Hydrate 488 is the salt of a modified fatty acid.

A—*No, it is not.*

Q—You take the position that the sulfonated fatty material which forms the soap or salt constituting Hydrate 488 is not a modified fatty material, is that correct?

A—*Not* within the terminology as I have read it in the patent.

Q—Is it the salt of a sulfonated fatty acid?

A—*No; it is not the salt of a sulfonated, fatty acid.*

Q—Is it the salt of a sulfo-fatty acid?

A—*No; it is not the salt of a sulfo-fatty acid.*

Q—Do you contend that the action of fuming sulfuric acid on castor oil does not free the fatty acid from the glyceride?

A—Exactly, I contend that the action is that of dehydration." (Italics ours.)

As to whether or not the chemical structure of the products obtained from the sulfonation of castor oil and those obtained from ricinoleic acid were identical, irrespective of what similarity in properties they might possess [R. pp. 1128-30], plaintiffs' expert, Dr. Morse, gave the following testimony [R. p. 1130]:

"Q—By the Master: These fatty acids products, even though they may have the same chemical characteristics, may differ in the chemical products—

Mr. Brown: Chemical structure.

The Master:—chemical structure they contain?

A—*They may differ in both nature and proportion, I think, in the chemical substances they contain.*" (Italics ours.)

In his report [R. pp. 146-7], the Master states that in *1913* Barnickel experimented with a treating agent made of a mixture of cotton seed oil and sulfuric acid (a sulfonated oil); that in *1914* he tried experiments which included

the treating of oil with a mixture of oleic acid and sulfuric acid (a sulfo-fatty acid); and that *it must be concluded* that Barnickel's date of conception of the use of a sulfo-fatty acid falls in the year 1914. Here, again, the Master shows that a sulfonated oil cannot be classified a sulfo-fatty acid.

Contrary to all this evidence, the Master in order to bring defendants' product within the requirements of the patent, makes the indefensible conclusion [Report, R. pp. 148-149], that

> "It (Hydrate 488) is a 'modified fatty acid' in the sense that it contains substitution and addition products resulting from the action on ricinoleic acid of a reagent capable of forming such products."

The Master attempts to find support for his conclusions by referring to the alleged findings of plaintiffs' analyses as calculated on an acid basis. Aside from plaintiffs' analyses being valueless for showing infringement, it is without reason to state or infer that a substance is an acid just because analytical results can be put in terms of an acid. For instance, a content of ordinary salt, sodium chloride, can be calculated in terms of hydrochloric acid, but that does not mean that salt is hydrochloric acid. Again, the fact that hydrochloride acid can be manufactured from salt does not mean that salt is hydrochloric acid. A salt cannot be an acid. Likewise, *castor oil, a glyceride*, otherwise known as an organic salt, *is not a fatty acid*. And the action of fuming sulfuric acid upon a glyceride does not form *a substitution or addition product of a fatty acid*.

By an analytical determination, called "Iodine Number", plaintiffs attempted to show that Hydrate 488 was

an addition product. Defendants' determination for "Iodine Number" demonstrated that Hydrate 488 could not be an addition product. In spite of the fact that plaintiffs refused at the hearing, the request and offer of defendants to have the analysts of both parties carry out their determinations together or in the presence of a referee or having an outside analyst appointed by the Master [R. pp. 754-759] the Master disregarded defendants' analyses, even though plaintiffs' analyst Wirtel was forced to concede that the method used by defendants for determining the "Iodine Number", was "The Method Recommended"—the Wijs Method. [R. pp. 1044-45.] This method was used by defendants but was not used by plaintiffs. Plaintiffs were given the opportunity to prove by outside analysts, appointed by the Master, whether or not defendants or plaintiffs were correct in their analyses. Their emphatic refusal is not only a matter of record but speaks loudly of their reluctance to have the question conclusively determined.

Monson produced his analyses for Hydroxyl Number in his attempt to show the presence of sesame oil in defendants' product [R. pp. 392-393], and stated [R. p. 393]:

> "The hydroxyl number exhibited by the water insoluble fatty acidic material obtained from Hydrate 488, Sample 87, could have been obtained from sesame oil acids and, specifically, from oleic acid by that direct process *and that procedure does take place.*" (Italics ours.)

This was prior to Herbsman's disclosure of his parent material. Herbsman *later testified that his parent material was castor oil.* This testimony is undisputed.

Monson showed that there is no possibility of oleic acid being obtained from castor oil, when he said [R. p. 313]:

"Castor oil is a glyceride of ricinoleic acid."

It obviously follows that since there is no sesame oil in defendants' parent material, plaintiffs' determination for Hydroxyl Number is of no consequence in supporting plaintiffs' contention. On the contrary, it emphasizes the fact that Hydrate 488 does *not* infringe.

No knowledge of chemistry is required to ascertain that it is incomprehensible for any one to testify that a particular material had been changed in some definite way, not knowing what that certain material was in the first place.

Plaintiffs wholly failed in their attempt to show the presence of sulfo-fatty acid in Hydrate 488. Plaintiffs' expert, Monson, alleged that he had isolated sulfo-diricinoleic acid from Hydrate 488, but then could not state what the compound even looked like [R. p. 472]. He then claimed to have seen the material in solution. *No one can see a material when it is in solution,* and laying claim to such as being isolated is beyond comprehension. Moreover, Monson previously testified [R. p. 457] that it was just *his opinion* that the product resulting from the application of fuming sulfuric acid to castor oil was a sulfo-fatty acid.

At a hearing before Judge Hollzer on exceptions to the Master's report,—the court suggested [R. pp. 1209-10] that the matter of analyses be remade and attended by a disinterested, qualified expert. Plaintiffs' counsel objected to this procedure and asked that an expert be appointed in an advisory capacity in lieu thereof. This latter course was followed.

In this regard, counsel for defendants was assured that no one who had been employed by plaintiff or consulted with reference to either the water softener patent or the "modified fatty acid" patent would be assigned in said advisory capacity [R. pp. 1222-25]. Dr. Beckman of the faculty of the California Institute of Technology was thereupon appointed. As far as defendants are aware,—no written report was rendered by Dr. Beckman.

The court in confirming the Master's Report in its "Memorandum of Conclusions" makes the statement [R. p. 177]:

> "It further appearing that although the defendants dispute the accuracy of the analytical methods used by plaintiffs' witnesses, particularly for the iodine number, the evidence tends to establish the reliability of plaintiffs' methods and raises doubt as to the reliability of the defendants' procedure."

Apart from the fact that defendants offered with regard to the analyses that either side or both sides make their analyses in the open in the presence of a referee or have an outside analyst appointed by the court for making these analyses and the fact that plaintiffs emphatically refused this offer,—plaintiffs *introduced in evidence* the methods of analyses used by defendants as Plaintiffs' Exhibit No. 55,—"pages 31 and 32 of 1929 Revision of the American Oil Chemist Association. Official Methods." [Book of Exhibits, p. 21, R. p. 1034]—and Plaintiffs' Exhibit No. 41—"Hart Plan suggested as Uniform Method for Analyses of Sulfonated Oils." [Book of Exhibits, p. 67. R. p. 759.] It is in the first of these [Exhibit No. 55] that the recommended method, the Wijs Method [R. pp. 1044-45] appears.

The evidence shows that defendants' analyses should prevail and that defendants' product does not infringe.

A Sulfonated Oil Does Not Infringe.

Barnickel at the time he filed his application requested that his application be put in interference with a pending application of Henry Dons. [Deft. Ex. "B", p. 1; R. p. 885.]

In this application, Barnickel made no mention of "modified fatty acid" [Deft. Ex. "B", pp. 2 to 14], and added, for the purposes of interference, two claims pertaining to the use of a sulfo-fatty acid, when so advised by the Patent Office Examiner [Deft. Ex. "B", pp. 17-18]. Upon being awarded these two claims of the interference, Barnickel rewrote his specification [Deft. Ex. "B", p. 27] retaining the two claims awarded him, but cancelled all of the remaining claims, *including his original claim 14, specifying use of a sulfonated oil as a treating agent.*

There is no denial that oils, such as castor oil and cottonseed oil, are chemically known as glycerides; also that a glyceride, which is sulfonated, such as used by defendants, is known as a sulfonated oil.

Knowing that an oil would not be considered a fatty acid (which fact is shown by plaintiffs' expert, Monson, [R. p. 465] "No—a glyceride is not a fatty acid,"), and claiming the reagent, "modified fatty acid," of his alleged invention as a product which had to be derived from a fatty acid, Barnickel cancelled his original claim 14, specifying a sulfonated oil, when he rewrote his specification and claims. In fact, the Master showed that a sulfo-fatty acid is not a sulfonated oil or sulfonated glyceride, when he ruled [Report, R. pp. 146-7] that Barnickel's conception of the use of a sulfo-fatty acid came in the year 1914, because *in 1914,* Barnickel had experimented with a mixture of a fatty acid, (namely oleic acid) and

sulfuric acid, in contrast to Barnickel's experimentation *in 1913* with a sulfonated oil or sulfonated glyceride, namely a mixture of cottonseed oil and sulfuric acid.

The Master admits that the cancellation of claim 14 constitutes a disclaimer, when he states [Report, R. p. 153]:

> "The file wrapper shows that claim 14 was cancelled because the Patent Office Examiner pointed out that it could be construed as covering sulfonated mineral oils. Its cancellation amounts to a disclaimer of sulfonated mineral oil, and nothing more."

But no verification of the Master's statement can be found in the file wrapper that Barnickel's disclaimer of a sulfonated oil *was pointed out by the Patent Office Examiner* as covering sulfonated mineral oils only. Actually there is no basis for such statement to be found in the file wrapper [Deft. Ex. "B"], and plaintiffs have been unable to show *where* in said file wrapper there is any such ruling by the Patent Office Examiner that can support this allegation by the Master.

Barnickel disclaimed a sulfonated oil, and defendants' product, being a sulfonated oil, namely a sulfonated castor oil, therefore cannot infringe the modified fatty acid patent No. 1,467,831.

A Neutralized Product Does Not Infringe.

Defendants' manufacture of Hydrate 488 is briefly shown [R. pp. 633-634] in the five steps consisting of:

(1) Addition of fuming sulfuric acid to castor oil;

(2) Washing the sulfonated oil mass with water and drawing off the water;

(3) Washing the remaining mass with sodium sulfate solution and drawing off the aqueous portion of the mass;

(4) Neutralizing the remaining mass with aqua ammonia; and

(5) Dilution of the neutralized mass with benzol.

The neutralized finished product is Hydrate 488.

The Interference Proceedings [Deft. Exs. "C" and "C-1"], portions of which were read into the record of this case as "Admissions Against Interest," show that the claims of Barnickel's patent No. 1,467,831 cannot be interpreted as to include a neutralized product.

After Barnickel had added, for the purpose of interference, two claims for the use of a sulfo-fatty acid, when so advised by the Patent Office Examiner [Deft. Ex. "B", Book of Exhibits, pp. 335-337], the matter was referred to the Examiners in Interference. During these interference proceedings, Barnickel testified [Deft. Ex. "C", R. p. 907]:

> "* * * a sulfo-fatty acid, as defined in the counts of these two Interferences, is acid * * *."

It was for the reason that the issue did not include a neutralized product but called for a sulfo-fatty acid, *which was acid,* that Barnickel was able to prevail over Hinrichs. In awarding Barnickel priority, the Examiner in Interference stated [Deft. Ex. "C", R. p. 958]:

> "Hinrichs emphasizes, and tries to show, that the present interference is limited to the use of *acid free* sulfo-fatty acid and that Barnickel had not such a substance. The issue, however, calls for *sulfo-fatty acid and not an acid free refined product.*" (Italics ours.)

The claims awarded Barnickel, now claims 9 and 10 of the patent No. 1,467,831, are for the use of a sulfo-fatty acid, *not a salt* of a sulfo-fatty acid, *not a neutralized product*, but just as stated, *a sulfo-fatty acid,* which Barnickel refers to as "sulfo-fatty acid as such" [R. p. 908]. It was undoubtedly with this evidence that the Master found [Master's Report, R. p. 146] that "claims 9 and 10 are directed *specifically* to sulfo-fatty acids."

Plaintiffs' expert, Monson, testified [R. pp. 450-51] that Hydrate 488 is a *neutralized* product, that it is not an acid and does not contain sulfo-fatty acids as such.

The above constitutes a clear admission by plaintiffs of non-infringement.

The file wrapper [Deft. Ex. "B"] further shows:

(1) That the claims of the patent are not entitled to an interpretation which will include *neutralized products;*

(2) That the Examiner stated that the original disclosure did not include a neutralized product;

(3) That the claims on neutralized products were cancelled after rejection by the Examiner as not supported by the original disclosure.

After Barnickel had been awarded the two claims of the interference, he rewrote his specification [Deft. Ex. "B", p. 27] retaining the two claims awarded him, as claims 15 and 16, but cancelling all of the remaining claims.

The implication by the Master in his report [R. p. 152] that the term "modified fatty acid" had been mentioned in the prosecution of Barnickel's application before the decision on the interference is absolutely unwarranted. It was only after the matter of the interference proceed-

ings was closed that Barnickel introduced a new specification with his coined term "modified fatty acid" [Deft. Ex. "B", pp. 27-34].

Ruling immediately on the new specification and claims [Deft. Ex. "B", pp. 36-38, Book of Exhibits, pp. 373-7], the Patent Office Examiner stated:

> "On pages 3 and 4 of the substitution for the first part of the specification, and claims 6, 9 and 10; it is not seen what is meant by 'neutral products' and 'neutralized products.' *These terms are not found* in the original disclosure and *should hence be cancelled.*" [Deft. Ex. "B", p. 36.] (Italics ours.)
>
> "Claims 6, 9 and 10 are further rejected as being indefinite by reason of the expression 'such as a * * *'." [Deft. Ex. "B", p. 37.]

Claims 6, 9 and 10 having the expression "such as a * * *" wherein is included the terms *a salt or a neutralized product* to which the Examiner referred, were cancelled or amended following the Examiner's rejection. For example claim 6 [Deft. Ex. "B", pp. 32-33] read as follows:

> "6. A process for treating petroleum emulsions which consists in bringing in contact with a mass of emulsion a relatively small amount of a modified fatty acid, *such as a* sulfo-fatty acid or *an ester* or aromatic compound *of a fatty acid or sulfo-fatty acid,* or *a salt or neutralized product of such substances,* thereby causing the oil contained in the emulsion to separate from the water or brine and other foreign matter and rise to the top of the mass." (Italics ours.)

In accordance with the Examiner's rejection, Barnickel amended his application as follows [Deft. Ex. "B", pp. 41-43]:

(a) By cancelling claim 6, wherein the term, "modified fatty acid," included "an ester or an aromatic compound or a fatty acid *or a salt or a neutralized product of such substances,*" thereby admitting that a salt or neutralized product of a sulfo-fatty acid as well as neutralized products of other fatty acid substances did not come within the term "modified fatty acid."

(b) By cancelling from the specification "neutral products," "neutralized products," "their homologues, modifications and equivalents and their neutral products and salts" (Deft. Ex. "B", pp. 41-42), thereby admitting and emphasizing the correctness of the Examiner's holdings.

It was really only necessary for Barnickel to cancel the claims 6, 9 and 10 pertaining to salts, neutralized products, etc., or amend said claims so that these terms would not be included therein, in order to conform with the Patent Office Examiner's rejection. It is common knowledge in patent procedure that almost invariably the patentee is not called upon to change his specification with respect to the rejected and cancelled matter of his claims and that retaining such matter in the specification outside of the claims in no way entitles the patentee to the right or monopoly of the substance which was rejected and cancelled from the claims. Barnickel had to cancel the claims in which such terms as *esters, salts, neutral products, neutralized products,* etc., appeared or had to amend the claims by cancelling these substances appearing therein, because the rejection by the Examiner so demanded. Nevertheless, because Barnickel allowed the terms "ester or salt" to remain in his specification (which substance and terms were rejected and cancelled from his

claims), the court ruled in its memorandum of conclusions [R. p. 175]:

> "It further appearing that a neutralized product is a salt and that the inventor, Barnickel, specifically included salts in his definition of 'modified fatty acids,' that is to say, although the inventor eliminated the words 'neutralized product' from said patent, this evidently was done solely to avoid a duplication of terms since he retained the synonymous expression 'ester or salt'."

The fact that Barnickel of his own volition eliminated from his specification some of the aforesaid terms and did not take out the other terms therefrom, pertaining to the rejected matter of his claims, in no way gives him the monopoly or claim to such rejected matter.

As shown above Barnickel's application was acted upon immediately in the regular Patent Office procedure, and Barnickel's claims for a "modified fatty acid" to include neutralized products, etc., were rejected by the Examiner and cancelled by Barnickel. This is a simple fact, which cannot be contradicted.

It follows that a neutralized product cannot be covered by patent No. 1,467,831, and since the Master [Master's Report, R. p. 148] finds that Hydrate 488 is a neutralized product and plaintiffs admit that Hydrate 488 is a neutralized product [R. pp. 450-451], and defendants have proven that Hydrate 488 is a neutralized product, *Hydrate 488 cannot infringe.*

In *Jensen-Salsbery Laboratories, Inc. v. O. M. Franklin Blackleg Serum Company* (C. C. A. 10), 72 Fed. (2d) 15, 18, the Court said:

> "Where an applicant for a patent on a mechanical combination or process is compelled by the rejection of

his application by the Patent Office to narrow his claim by the introduction of a new element in the combination or a new step in the process, he cannot, after the issue of the patent, broaden his claim by omitting the element or step he was compelled to include in order to secure his patent. If dissatisfied with the rejection, he should appeal therefrom, and where, in order to get his patent, he accepts one with a narrower claim, he is bound by it. Whether the action of the Examiner was right or wrong, the court may not inquire. The applicant having limited his claim by amendment and having accepted a patent with such claim brings himself within the rules; that, if a claim to a combination is restricted to specified elements, or a claim to a process is restricted to specified steps or a series of acts, all must be regarded as material; that limitations imposed by the applicant, especially those added by amendment after a claim has been rejected, must be construed against the inventor and regarded as disclaimers; and that the patentee is thereafter estopped to claim the benefit of the rejected claim or such a construction of his amended claims as would be equivalent thereto."

Quoted from *Gasoline Products Co. v. Champlin Refining Co.,* 86 Fed. (2d) 552-561.

Turkey-Red Oil.

Having failed to prove Hydrate 488 is a "modified fatty acid" and faced with the admission of non-infringement by their expert, Monson, who testified that Hydrate 488 is not a sulfo-fatty acid [R. pp. 449-450] on top of his failure to establish the presence of sulfo diricinoleic acid in Hydrate 488 [R. p. 472], plaintiffs endeavored to claim that "Turkey-red oil" was the agent of their patent [R. pp. 1051-56, 1087-89, 1112-14] in an effort to find infringement.

Turkey-red oil derives its name from the usage of rancid olive oil containing fatty acids (oleic acid etc.), with textiles to enable the fibre to take on the so-called turkey-red dye. Plaintiffs' Exhibit 58, page 22, and Plaintiffs' Exhibit 62 page 138, on "Textiles, Soaps and Oils" show the use of rancid olive oil, containing fatty acids in admixture with an aqueous solution of sodium carbonate as "Turkey-red oil." This is identical with some of the preferred reagents of the water softener patent No. 1,223,659.

The term "Turkey-red oil" is nowhere to be found in the patent. "Turkey-red oil" is merely a commercial name for certain materials suitable for a particular purpose. It is not indicative of chemical structure. It is this elastic term, "Turkey-red oil," that plaintiffs [R. pp. 1112-14] seek to use in finding infringement by arguing that since a sulfo-fatty acid, such as sulfo-oleic acid, could be used as a Turkey-red oil, that therefore a sulfonated oil or a neutralized product, which could be used as a Turkey-red oil, was in fact a sulfo-fatty acid and also a "modified fatty acid."

The apparent purpose of plaintiffs' syllogistic reasoning of equivalents is to circumvent Barnickel's disclaimer of sulfonated oil and to cloud the Examiner's specific exclusion from the claims of the patent of neutralized products, salts, etc.

Irrespective of how many back entrances are used to make it appear that sulfonated oils and neutralized products are agents of the "modified fatty acid" patent, the fact still remains that these materials were excluded from the claims of said patent by disclaimer, rejection and cancellation, as heretofore pointed out in this memorandum. The patent as prosecuted and written precludes plaintiffs from now claiming monopoly to sulfonated oils

and neutralized materials for treatment of petroleum emulsions, and presumptively plaintiffs cannot now rewrite said patent as to include such materials in the claims of said patent.

Barnickel had, at one time or another during the prosecution of his application cancelled all claims identifying his agent as a sulfonated oil, a salt or a neutralized product, and having never thereafter reinstated such products in any claim, was forever *estopped* from asserting that his patent is of sufficient scope to cover them.

The Supreme Court of the United States in the case of *I. T. S. Rubber Co. v. Essex Rubber Co.,* 272 U. S. 429, stated in connection with the rejection, amendment or cancellation of claims, as follows:

> "The applicant having limited his claim by amendment and accepted a patent, brings himself within the rules that if the claim to a combination be restricted to specified elements, all must be regarded as material, and that limitations imposed by the inventor, especially such as were introduced into an application after it had been persistently rejected, must be strictly construed against the inventor and looked upon as disclaimers. Sargent v. Hall Safe & Lock Co., 114 U. S. 63, 86; Shepard v. Carrigan, *supra* 598. The patentee is thereafter estopped to claim the benefit of his rejected claim or such construction of his amended claim as would be equivalent thereto. Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co., 152 U. S. 425. So where an applicant whose claim is rejected on reference to a prior patent, without objection or appeal, voluntarily restricts himself by an amendment of his claim to a specific structure, having thus narrowed his claim in order to obtain a patent, he 'may not by construction, or by resort to the doctrine of equivalents, give to the claim the larger

scope which it might have had without the amendments which amount to a disclaimer.' Weber Elec. Co., 256 U. S. 668."

The burden of proving infringement rests heavily on the plaintiffs.

In *Fried, Krupp Aktien-Gesellschaft v. Midvale Steel Co.* (C. C. A. 3rd Cir.), 191 Fed. 588, 591, Buffington, Circuit Judge, held:

> "We deem it proper, however, to say for the guidance of patent practitioners in this circuit that it should be borne in mind that infringement is not only a question of fact, but is a tort or wrong, the burden of establishing which, as in all torts, clearly rests on those who charge such wrong. The absence of actual fact proof is not met by the presence of expert speculations no matter how voluminous."

Other cases, see Appendix page 27.

The doctrine of equivalents does not apply in cases involving chemical patents as it does in other cases.

In *Tyler v. Boston*, 7 Wall. (74 U. S.) 327, 330, 19 L. Ed. 93, 94, Mr. Justice Grier said:

> "Now, a machine which consists of a combination of devices is the subject of invention, and its effects may be calculated a *priori;* while a discovery of a new substance by means of chemical combinations of known materials is empirical, and discovered by experiment. Where patent is claimed for such a discovery, it should state the component parts of the

new manufacture claimed with clearness and precision, and not leave the person attempting to use the discovery to find it out by 'by experiment'. The law requires the applicant for a patent right to deliver a written description of the manner and process of making and compounding his new discovered compound. The art is new and, therefore, persons cannot be presumed to be skilled in it or to anticipate the result of chemical combination of elements not in daily use."

Other cases, see Appendix pages 25-27.

POINT III.

That the Suit Cannot Be Maintained Even If the Patent Were Valid, Because to Do So Would Give a Limited Monopoly of an Unpatented Staple Article of Commerce.

Defendants, in their amended answer, pleaded [R. p. 98]:

> "SIXTEENTH: Further answering defendants allege that plaintiffs are, under cloak of the Letters Patent here in suit, attempting, without sanction of law, to restrain commerce by employment of said Letters Patent to secure a limited monopoly of unpatented material used in practicing the alleged inventions, and that the bill of complaint should therefore be dismissed for lack of equity."

At the time the case was heard by the Court on exceptions to the master's report, to-wit, Jan. 22, 1937, the case of *Carbice Corporation v. American Patents Development Corp.* (283 U. S. 27, 75 L. Ed. 819), was the leading case on said defense.

Defendants at that time recognized the factual differences between the present case and that of the *Carbice* case, and consequently did not urge this defense before the Special Master except to the Master's omission of any finding or recommendation on said defense, or refer thereto in argument of their exceptions before the Court.

The case of *Leitch Manufacturing Company Inc. v. The Barber Company, Inc.* (302 U. S. 458, 82 L. Ed. 371), was decided by the United States Supreme Court on January 3, 1938, and published in Advance Opinions of said Court (Lawyers Edition) on January 17, 1938.

The opinion of the District Court in the present case was filed March 2, 1938.

On May 23, 1938, defendants filed their petition to reopen the case for reargument in view of the Supreme Court's decision in the *Barber* case, relying on the evidence previously introduced at the hearing before the Special Master and on the Master's report,—their contention being that the decision in the *Barber* case had expanded the rule laid down in the *Carbice* case, and that the evidence introduced before the Special Master brought the case at bar directly within such expansion of the rule laid down in the *Carbice* case. Their petition was therefore for reopening the case for further argument before the Court to avoid conflict of decision of the District Court in the case at bar with the recent controlling decision of the Supreme Court on substantially parallel facts.

That the question raised was one for decision by the Court under the procedure followed is amply supported by authorities. Authorities, see Appendix page 28.

The record in this case shows that the plaintiff, The Tretolite Company, has, for many years, been engaged in the business of manufacturing and selling to oil producers unpatented chemical treating agents for use by the producers in breaking petroleum emulsions, and has secured and owned numerous patents, all for alleged inventions in processes of treating the oil, two of which, issued prior to date of application for patent No. 1,467,831 here in suit, were for processes differing from that claimed in patent No. 1,467,831 only in the chemical reagents employed.

The limitations upon the scope of the patent in suit to a combination of method steps, including use of the specific chemical reagent in a certain specific way and to use of the patent only to enforce the plaintiffs' alleged exclusive right to exclude others from practice of that particular method is, in the language of both the *Carbice* and *Barber* cases "inherent in the patent grant," and no other evidence was necessary for showing lack of any right whatever in the plaintiffs to restrain or interfere with manufacture and sale of the chemical reagent *per se*.

A comparison between claim 5 of plaintiffs' third patent and the claims of the patents involved in the case of *Leitsch v. Barber* and the *American Lecithin cases* (94 Fed. (2d) 729 and 23 Fed. Supp. 326), decided after that of *Leitch v. Barber,* and following the rule laid down there, appears as follows:

Claim 4 Barnickel Patent No. 1,467,831	Claim 5 Leitch v. Barber Case	Claim 13 American Lecithin Cases
A process for treating petroleum emulsions characterized by	The method of curing concrete, which includes	In the preparation of chocolate mass
(A) bringing in contact with a mass of emusion	(A) Applying to the upper surface of a roadway before the concrete has set	(A) the step of adding
(a) a modified fatty acid as herein defined,	(a) a coating of unheated bituminous paint-like material for the formation of a water impervious film thereon,	(a) about 0.2% to 0.3% of lecithin
(B) and allowing the mass to stand until the oil separates and rises to the top.	(B) and permitting the concrete to cure.	(B) at any stage of the manufacture,
		(b) whereby "graying" of the finished chocolate product is at least retarded.

Here again limitation upon the scope of use of the patent to exclude others only from practice of the complete process, and not from manufacture and sale of un-

patented material the "modified fatty acid as herein defined," or sulfo-fatty acid, in one case, and the bituminous emulsion, in the other case, is inherent in the patent grant.

Plaintiffs submitted evidence in support of its contention that the modified fatty acid of claims 1, 2, 4, 7 and 8 of plaintiffs' patent and the "sulfo-fatty acid" of the other claims of the patent here involved, was an article of commerce known as Turkey-red oil, and that defendants' reagent, Hydrate 488, was Turkey red oil [R. pp. 1051-56, 1087-89, 1112-14]: consequently thus providing ground for plaintiffs' contention and the master's finding [R. p. 151] that in selling its chemical reagent, Hydrate 488, to the other defendants for use in practicing the process set out in the patent in suit, the defendants, Research Products Company and Abraham M. Herbsman, were guilty of contributory infringement, and in using such particular reagent purchased from Research Products Company and Abraham M. Herbsman for treating their oil, the defendants, California Production Co., Henry Branham and Arthur J. Dietrick, were guilty of direct infringement. [R. p. 151.]

The agent of the "modified fatty acid" patent was maintained by plaintiffs *and held by the Master to be various commercial grades of Turkey-red oil.* [R. pp. 1113, 141.]

In the case of *Leitch v. Barber, supra,* the Supreme Court stated:

> "The question for decision is whether the owner of a process patent may by suit for contributory infringement suppress competition in the sale of unpatented material to be used in practicing the process."

Plaintiffs, in their effort to establish infringement, contended that the agent of their modified fatty acid patent consisted of various commercial grades of Turkey-red oil, an unpatented material, and that defendants' product Hydrate 488, was a commercial or standard grade of Turkey-red oil. These contentions are as follows:

Plaintiffs' expert witness, Monson, testified [R. p. 482]:

> "Turkey red oil made by the action of sulfuric acid on castor oil has been made since at least 1875 on a commercial scale."

Plaintiffs' expert witness, Dr. More, testified [R. pp. 1051, 1112-13]:

> "Q. What do you understand is the meaning of the term 'turkey red oil' as used commercially and in the technical literature for the past 20 or 30 years?
>
> A. The name is a general name for the product resulting from the action of sulfuric acid on castor oil. The name, in fact, was used more than 20 years ago for castor oil products and for products resulting from the action of sulfuric acid on oleic acid. It is the term which is properly applied to the products arising from the action of sulfuric acid on these oils."
>
> "Q. By Mr. Brown: I believe you said on direct examination that the term 'turkey red oil' included sulfonated oil, sulfurized oil, sulfo-fatty acids, among other things, did you not?
>
> A. Those terms have been used as synonymous with 'turkey red oil' all through the history of the development of such products.
>
> Q. Does that include the term 'modified fatty acids,' as you understand the term is employed in the patent in suit?

A. I should say that the turkey red oil and the other synonyms which have been used for those products were, according to my own understanding of the term, modified fatty acids.

Q. Then the term 'turkey red oil' could be substituted for the term 'modified fatty acid,' as that term is employed in the patent?

A. I am inclined to feel that in view of the definite disclosure of the nature of the substances to be used as reagents for breaking emulsions, that they would all be included as synonymous with the general term 'turkey red oil.'

Q. How long has it been known in the chemical art that the term 'turkey red oil' is synonymous with these other things you have spoken of?

A. The meaning began to be usual as far back as the late 1870's, I think."

Plaintiffs' Exhibit 41, Book of Exhibits, p. 67:

"According to Government statistics, the amount of turkey red oil consumed in this country during 1929 amounted to over 18,000,000 lbs., valued at nearly $2,000,000.00. Hence, the commercial importance of properly evaluating and grading of turkey red oil and *other sulfonated oils* is self evident." (Italics ours.)

Plaintiffs' Exhibit 58, Book of Exhibits, p. 133:

"Sulfonated castor oil first came into the market between 1870 and 1875, quickly superseding olive oil in the production of turkey reds, alizarine reds and other colors on cotton.

It is made and sold under a variety of names, such as Turkey Red Oil, Alizarine oil, oleine, soluble oil, dyeing oil, red oil, etc."

Plaintiffs' Exhibit 62, Book of Exhibits, p. 185:

> "* * * about 1870 to 1875 there came into use sulphated castor oil, and this has now quite superseded olive oil in the production of turkey and alizarine reds and other colors on cotton. It is made and sold under a variety of names. Turkey red oil or alizarine oil are most general, * * *"

The Master found that *sulfonated castor oil* and Turkey-red oil were well known articles of commerce and that Hydrate 488 was a Turkey-red oil [R. pp. 140-141, 148]:

> "The treatment of castor oil with sulfuric acid to obtain substitution and addition products is an old procedure in industrial chemistry." [R. p. 140.]

> "The terms 'turkey red oil' and 'sulfonated oil' have been used synonymously in industrial chemistry." [R. p. 141.]

> "Commercially it (Hydrate 488) may be classified as a turkey red oil." [R. p. 148.]

In the present case at bar, defendants, Research Products Co., Ltd., finding that their business was suppressed by plaintiffs' suit against them for contributory infringement, were therefore obliged to ask the Court for said case to be referred to a Master for an early hearing. In support thereof, defendants filed affidavits of A. M. Herbsman and B. C. Olsen, showing loss of business by reason of plaintiffs' suit. [R. pp. 104-126.] It was only after such motion was filed (Nov. 21, 1934) that plaintiffs stipulated to said reference (Nov. 23, 1934).

Application of the ruling of the Supreme Court in the case of *Leitch v. Barber* to the one at bar, literally as well as in full substance, appears convincingly by com-

parison of pertinent portions of the decision with corresponding facts in the case at bar (again in parallel columns), wherein the only change required in reading the decision on facts of the case at bar is substitution of names of the parties, the judicial district, the patent number and date, and of the chemical agent employed in the respective processes, as indicated by italics in the column relating to the case at bar:

In the Decision.	In the Case at Bar.
"The Barber Company brought, in the federal court for New Jersey, against the Leitch Manufacturing Company, this suit to enjoin the alleged contributory infringement of patent No. 1,684,671, dated September 18, 1928, by selling and delivering bituminous emulsion to a road builder, knowing that it was to be used in Newark in accordance with the method defined in the claims of the patent."	The *Tretolite Company, and another,* brought in the federal court of the *Southern District of California* against *Research Products Co., Ltd., and Abraham M. Herbsman,* to enjoin alleged contributory infringement of patent *No. 1,467,831 dated September 11, 1923,* by selling and delivering *Hydrate 488 (Turkey red oil)* to an *oil producer* knowing that it was to be used in *Venice Field, California,* in accordance with the method defined in the claims of the patent.
"It was insisted that the suit could not be maintained, even if the patent were valid, because to do so would give a limited monopoly of an unpatented staple article of commerce."	Defendants pleaded that "plaintiffs are, under cloak of the Letters Patent in suit, attempting, without sanction of law, to restrain commerce by employment of said Letters Patent to secure

"The Barber Company and Leitch Manufacturing Company are competing manufacturers of bituminous emulsions—an unpatented staple article of commerce produced in the United States by many concerns and in common use."

"The Barber Company acquired the process patent sued on, and seeks to use it to secure a limited monopoly in the business of producing and selling the bituminous material for practicing and carrying out the patented method."

"The company does not itself engage in road building, or compete with road contractors. It does not seek to make road builders pay a royalty for employing the patented method. It does not grant to road builders a written license to use the process.[2] But it a limited monopoly of unpatented material used in practicing the alleged inventions."

The Tretolite Companies and Research Products Co., Ltd., and Abraham M. Herbsman are (according to the findings herein) competing manufacturers of *Turkey Red Oil,* an unpatented staple article of commerce produced in the United States by many concerns and in common use.

The Tretolite Company acquired the process patent sued on, and seeks to use it to secure a limited monopoly in the business of producing and selling the *Turkey Red Oil* for practicing and carrying out the patented method.

The company does not itself engage in *oil production* or compete with oil producers. It does not seek to make *oil producers* pay a royalty for employing the patented method. It does NOT grant to *oil producers* a written license to use the process.[2] But it adopts a

adopts a method of doing business which is the practical equivalent of granting a written license with a condition that the patented method may be practiced only with emulsion purchased from it. For any road builder can buy emulsion from it for that purpose, and whenever such a sale is made, the law implies authority to practice the invention."

2. "No written license had, so far as appears, been granted by the Barber Company to anyone. Its predecessor, the Barber Asphalt Company (see note 1), had granted a written license to Johnson-March Corporation, which paid no royalty but bought from The Barber Asphalt Company 'cutback material' for use in the East, and 'Trinidad or Bermudez asphalt' for use in the West."

"On the other hand, The Barber Company sues as contributory infringer a competing manufacturer of this unpatented material

method of doing business which is the practical equivalent of granting a written license with a condition that the patented method can be practiced only with *Turkey red oil* purchased from it. For *any oil producer* can buy *Turkey red oil* from it for that purpose, and whenever such a sale is made the law implies authority to practice the invention.

2. No written license has, so far as appears, been granted by *The Tretolite Company* to anyone. *The Tretolite Company* has granted an oral license to *The Tretolite Company of California, Ltd.,* to *make* and *sell Tre-O-Lite* for use in *California.*

On the other hand. *The Tretolite Company* sues as contributory infringer a competing manufacturer of this unpatented material

who sells it to a road builder for such use. Thus, the sole purpose to which the patent is put is thereby to suppress competition in the production and sale of staple unpatented material for this use in road building."

who sells it to *oil producers* for such use. Thus, the sole purpose to which the patent is put is thereby to suppress competition in the production and sale of staple unpatented material for this use in *treating petroleum emulsions.*

The decision of this Court in the case of *Johnson Company v. Philad Company,* 96 Fed. (2d) 442, is not at all in conflict with defendants' contention. On the contrary, Wilbur, Circuit Judge, speaking for the Court, distinguished the reported case from *Leitch v. Barber* in a manner helpful to determination of the point here involved.

The patent there was for a process of waving hair, including winding a strand of hair on a rod to close relation with a clamp on the strand adjacent the scalp, wrapping the strand while held by the clamp and rod in a pad of absorbent material specially prepared with hair treating solution, enclosing the strand and pad in a moisture proof covering, and applying heat.

The defendant had sold such pads with the intention that they be used for practicing the patented process.

The Court held (p. 447):

> "The pads are part of appellant's apparatus used and sold with intent that they be used in practicing the patented process. It does not appear that they are standard articles of commerce and that appellees

sought to extend a monopoly to such standard unpatented articles,[3] but rather that the pads are designed and intended by the appellant to be used in co-operation with the other devices in carrying out the patented process and that appellees are seeking only to protect the monopoly given by their patent. We conclude that the lower court committed no error as to the pads."

The Court found (p. 447):

"It does not appear that they are standard articles of commerce * * *."

In the case at bar the reagent of the patent in suit, Turkey-red oil, with which the process of the patent here in suit was practiced was found by the Master to have been a standard article of commerce.

As it was for selling, according to plaintiffs, a standard article of commerce (Turkey-red oil) for treating oil that defendants, Research Products Company and Abraham M. Herbsman, were charged with contributory infringement, and for using such article purchased from Research Products Company and Abraham M. Herbsman that the other defendants were charged with direct infringement of the patent in suit, such facts distinguish the case at bar from the Ninth Circuit case and bring the case at bar directly and completely within the reasoning and holding of the *Leitch v. Barber* case.

In the record of the *Leitch v. Barber* case (Supreme Court Case No. 208) [R. p. 1243], the testimony of Russell R. Barrett on cross-examination shows that one of the various commercial forms or grades of emulsified

asphaltum was sold by the defendants for the particular and special use as described by the patent in suit under the designation, Grade AE, and was so constituted in its emulsified form and water content as to be particularly adapted for the process in suit.

In said case, [see stipulation filed therein, Plaintiffs' Exhibit No. 2] the defendants, Leitch Manufacturing Co., who manufactured and sold this grade of emulsified asphaltum, stipulated that it was to be used for the process called for by the patent in suit.

It was not sale of defendants' specific treating agent, Hydrate 488, that the Master found to infringe. It was the sale and use of Turkey red oil of which the Master found Hydrate 488 to be one form that constituted the infringement.

In conclusion of argument on this point defendants submit that the holding of the Supreme Court in *Leitch v. Barber,* (82 L. Ed. p. 372):

> "Thus, the sole purpose to which the patent is put is thereby to suppress competition in the production and sale of staple unpatented material * * *.
>
> "By the rule there declared (referring to the *Carbice* Case) every use of a patent as a means of obtaining a limited monopoly of unpatented material is prohibited. It applies whether the patent be for a machine, a product, or a process,"

brings the case at bar directly within the ruling of *Leitch v. Barber.* Here the sole purpose to which the patent in suit is put is to suppress competition in the produc-

tion and sale of Turkey red oil, sulfo-fatty acid, or the products resulting from modification of fatty acids as defined in the specification of the patent in suit, all, according to plaintiffs' own contentions and proof, staple, unpatented materials.

By restraint of the defendants Research Products Co. Ltd., and Abraham M. Herbsman, from manufacture and sale of the material for use in treating petroleum oil, and restraint of the defendants California Production Co., Henry Branham and Arthur J. Dietrick, from use of such material for treating oil, except when such material was purchased from the plaintiffs, plaintiffs would be obtaining a monopoly on such unpatented material in the limited field of its use for the particular purpose of treating petroleum oil for the purpose of its separation from its emulsified state and recovery of the good oil pursuant to such separation.

Defendants therefore submit that under the holding of the Supreme Court in *Leitch v. Barber,* (82 L. Ed. p. 372) and under the ensuing decisions in the *American Lecitin* cases (94 Fed. (2d) 729 and 23 Fed. Supp. 326) that plaintiffs' suit cannot be maintained even if the patent were valid, because to do so would give a limited monopoly of an unpatented staple article of commerce.

POINT IV.

Because of Its Error in Holding the Patent in Suit, and Particularly Claims Numbered 1, 2, 4, and 7 to 10, Inclusive, Valid and Infringed, the Court Was in Further Error in Ordering Recovery, Injunction and Costs Against the Defendants, and in Not Dismissing Plaintiffs' Bill of Complaint.

Argument on Point IV directed to general assignments of error, being included under Points I to III, inclusive, will not be repeated here.

Conclusion.

In conclusion it is finally submitted:

(1) That claims 1, 2, 4 and 7 to 10, inclusive, of Patent No. 1,467,831 in suit are invalid for indefiniteness, abandonment, anticipation, double patenting and/or lack of invention on any of the theories advanced by plaintiffs to cover or embrace defendants' treating agent Hydrate 488.

(2) That defendants have not infringed any of claims 1, 2, 4 and 7 to 10, inclusive, of Patent No. 1,467,831 in suit on any of the theories advanced by plaintiffs.

(3) That even if claims 1, 2, 4 and 7 to 10, inclusive, could be held valid, plaintiffs' bill of complaint should be dismissed for lack of equity under the decision of the United States Supreme Court in *Leitch v. Barber, supra.*

Whereupon defendants urge that this Court set aside the decree appealed from and dismiss the bill of complaint with costs to defendants.

Respectfully submitted,

ARTHUR C. BROWN,

FRANK L. A. GRAHAM,

Attorneys for Appellants.

APPENDIX.

ASSIGNMENTS OF ERROR.

The assignments of error relied upon by defendants are those numbered 1 to 29, inclusive, reading as follows [R. pp. 1230-36]:

"That the United States District Court for the Southern District of California, Central Division, erred:

1. In failing to order and decree that the Bill of Complaint be dismissed;

2. In ordering and decreeing that Letters Patent of the United States No. 1,467,831, dated September 11, 1923, and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, are good and valid in law;

3. In failing to order and decree that United States Letters Patent No. 1,467,831 are void and invalid in law;

4. In ordering and decreeing that defendants, California Production Co., Henry Branham and Arthur J. Dietrick, have infringed Letters Patent No. 1,467,831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, by employing the process described and claimed in said patent in the treating of petroleum oil produced by said defendants to remove excessive amounts of water and emulsion from said petroleum oil;

5. In ordering and decreeing that defendants, Research Products Co., Ltd., and Abraham M. Herbsman, have jointly and severally infringed upon said Letters Patent No. 1,467,831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof by causing to be employed the process described and claimed in said patent

in the treating of petroleum oil to remove excessive amounts of water and emulsion from said petroleum oil;

6. In ordering and decreeing that defendants, Research Products Co., Ltd. and Abraham M. Herbsman, have jointly and severally contributed to the infringement upon Letters Patent No. 1,467,831 particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, by manufacturing and selling to and inducing oil producers to use the chemical reagent 'Hydrate 488' with the knowledge, intent and instructions to said oil producers, that said chemical reagent be and was employed in practicing the process of said Letters Patent;

7. In ordering and decreeing that plaintiffs recover of the defendants, California Production Co., Henry Branham, Arthur J. Dietrick, the profits, gains and advantages which the said defendants, and each thereof, have received or made or which have arisen or accrued to each from the infringement aforesaid, together with the damages which plaintiffs have sustained by reason thereof;

8. In ordering and decreeing that plaintiffs recover of the defendants, Research Products Co., Ltd., and Abraham M. Herbsman, all the profits, gains and advantages which said defendants and each thereof have received or made or which has arisen or accrued to each from the infringement and contributing to the infringement aforesaid, together with the damages which the plaintiffs have sustained by reason thereof;

9. In ordering and decreeing that this cause be referred to a Special Master to ascertain and take and report to the Court an account of said profits, gains and damages and assess said damages;

10. In ordering and decreeing that perpetual injunctions be issued out of and under the seal of this Court restraining the defendants, California Production Company, Henry Branham and Arthur J. Dietrick, their officers, associates, agents, servants, workmen and employees, and each and every of them, from directly or indirectly employing or causing to be employed the process embodying the inventions claimed in said Letters Patent No. 1,467,831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, and from in any way infringing upon said Letters Patent or upon the rights of the plaintiffs under said Letters Patent;

11. In ordering and decreeing that a perpetual injunction be issued out of and under the seal of this Court restraining the defendants, Research Products Co., Ltd., and Abraham M. Herbsman, their officers, associates, agents, servants, workmen and employees, and each and every of them, from directly or indirectly using or causing to be used the process embodying the inventions claimed in said Letters Patent No. 1,467,831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, and from in any way infringing upon or contributing to the infringement upon said Letters Patent or upon the rights of the plaintiffs under said Letters Patent;

12. In ordering and decreeing that the plaintiffs have and recover of and from the defendants, and each of them, their costs herein to be taxed;

13. In ordering that defendants' exceptions to the report of the Special Master should be disallowed;

14. In overruling defendants' objections to the decree filed herein;

15. In denying defendants' Petition to Reopen the case;

16. In finding that the process described and claimed in United States Letters Patent No. 1,467,831 is not disclosed in the prior art or prior uses pleaded and introduced in evidence by the defendants;

17. In finding that the chemical reagent manufactured and sold by Research Products Co., Ltd., and Abraham M. Herbsman comprises a number of grades sold under the generic name 'Hydrate';

18. In finding that in selling the chemical reagent 'Hydrate 488' defendant, Research Products Co., Ltd., to induce the purchase and use thereof by oil producers, contacts oil producers, obtains samples of petroleum emulsions from such producers, tests the said emulsions to determine the specific formula or grade of said defendant's chemical reagent best adapted for the purpose of removing excessive amounts of water from such petroleum oils, recommends the formula or grade of such chemical reagent to be employed, advises, directs and instructs purchasers and users of defendant's chemical reagent in the manner of use of such reagent;

19. In finding that the chemical reagent 'Hydrate 488' was manufactured by defendants, Research Products Co., Ltd., and Abraham M. Herbsman and by them sold to defendant, California Production Company, at the direction of said Abraham M. Herbsman for the sole and specific purpose of treating petroleum emulsion produced by defendant, California Production Company, to remove excessive amounts of water therefrom by the process described and claimed in Letters Patent No. 1,467,831;

20. In finding that the process employed by the defendant, California Production Company at Venice, California, using Hydrate 488, is the process described and claimed in Letters Patent No. 1,467,831;

21. In finding that 'Hydrate 488' is a chemical reagent of the kind and character described and claimed in United States Letters Patent No. 1,467,831;

22. In finding that the chemical reagent 'Hydrate 488' is a modified fatty acid of the kind and character described and claimed in United States Letters Patent No. 1,467,831 for use in practicing the process of the patent;

23. In failing to find that the method set forth and described in Letters Patent No. 1,467,831, dated September 11, 1923, and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, does not embody and constitute invention;

24. In failing to find non-infringement of Letters Patent No. 1,467,831 dated September 11, 1923, and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof;

25. In concluding that Letters Patent No. 1,467,-831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, are good and valid in law;

26. In concluding that defendants, California Production Company, and Henry Branham and Arthur J. Dietrick, have infringed upon Letters Patent No. 1,467,831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, at Venice, California, by employing the process described and claimed in said patent in the treating of petroleum oil produced by said defendants at Venice, California, to remove excessive amounts of water and emulsion from such petroleum oil;

27. In concluding that defendants, Research Products Co., Ltd., and Abraham M. Herbsman, have jointly and severally infringed upon Letters Patent No. 1,467,831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof by employing and causing to be em-

ployed the process described and claimed in said patent, in the treating of petroleum oil to remove excessive amounts of water and emulsion from such petroleum oil;

28. In concluding that the defendants, Research Products Co., Ltd., and Abraham M. Herbsman, have jointly and severally contributed to the infringement upon said Letters Patent No. 1,467,831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, by manufacturing and selling to and inducing oil producers to use a chemical reagent of the kind and character described and claimed in said Letters Patent for use in and by the process of said Letters Patent with the knowledge, intent and instructions to said oil producers that said chemical reagent be and was employed in practicing the process of said Letters Patent;

29. In concluding that an Interlocutory Decree be entered in this cause and adjudging and decreeing that Letters Patent No. 1,467,831 and particularly claims 1, 2, 4, 7, 8, 9 and 10 thereof, are valid and have been jointly and severally infringed by the defendants as aforesaid, directing an injunction be issued restraining the defendants from further infringement of said Letters Patent and referring this cause to a Special Master to ascertain the profits and damages derived from or arising out of all infringement of said Letters Patent by the defendants."

AUTHORITIES.

POINT I.

Patent No. 1,467,831 is Void and Invalid.

(a) *Indefiniteness:*

In the case of *Solva Waterproof Glue Co. v. Perkins Glue Co.,* 251 Fed. 64-69 (C. C. A. 7), the Court stated:

> "Nothing but experiment avails in the successful production of the glue base. If the patent were for the preparation of a proper glue base from entirely raw starch, it may be the processes of the two patents in suit might be valid. As it is, we see no disclosures which entitled appellee to a patent for any of his claims for the manufacture of a glue base. It is a hit or miss formula and not such a disclosure of those skilled in the starch glue or adhesive art as would enable them to practice its manufacture without experimentation. They may not be required to resort to experimentation. Panzl v. Battle Island Paper Co., 138 Fed. 48, 53, 70 C. C. A. 474; General Electric Co. v. Hoskins Mfg. Co., 224 Fed. 464, 140 C. C. A. 150; Chemical Rubber Co. v. Raymond Rubber Co., 71 Fed. 179, 182, 18 C. C. A. 31. The patents in suit disclose no advance upon the prior art in the creation of a proper glue base. That must be discovered anew on each occasion."

In the case of *Nat'l. Chemical & Fertilizer Co. v. Swift & Co.,* 100 Fed. 451-452, the Court stated:

> "Complainant brings this suit to restrain the alleged infringement of patent No. 367,732, issued August 2, 1887, covering 'the within nitrogenous fertilizing material, consisting of undecomposed, coagulated albuminoids of concentrated tank waters,

freed from undue deliquescence and viscidity.' This product it claims to secure by the proper use of a solution of sulphate of iron applied to the 'soup' (as tank water is termed), and the whole then subjected to 300° Fahrenheit, preferably by steam. It is then placed in an open vessel, spread out to a thickness of about one inch, and subjected for 10 hours to 350° Fahrenheit, when it will become brittle and easy of pulverization. The relative proportions of the ingredients are to be ascertained only by experiment. * * * There is no sufficient evidence in the record to enable the court to accurately determine (1) what complainant's product really consists of; (2) what defendant's product really is; and (3) whether they are identical . *This uncertainty must be solved in favor of defendant.* Complainant's product is not, in its specification or claim, described in 'such full, clear, concise and exact terms' as to enable any person skilled in the art to which it appertains to compound the same; nor could such person determine whether a given substance is of the same composition as the product covered by the patent. The patent does not meet the requirements of the statute and decisions in this regard, and is therefore void for lack of certainty. The bill is dismissed for want of equity." (Italics ours.)

See also:

Reflectolyte Co. v. Luminous Unit Co. (C. C. A. 8), 20 Fed. (2d) 607, 612;

The Incandescent Lamp Case, 159 U. S. 465, 40 L. Ed. 221, 224;

Wood v. Underhill, et al., 5 Howard 23, 12 L. Ed. 23-25;

Health Products Corp. v. Ex-Lax Mfg. Co. Inc. (C. C. A. 2), 22 Fed. (2d) 286-287;

Matheson v. Campbell (C. C. A. 2), 78 Fed. 910, 920, 921;

Leonard v. Maxwell (C. C. A. 2), 252 Fed. 584, 590;

Hemming Mfg. Co. v. Cutler-Hammer Mfg. Co. (C. C. A. 7), 243 Fed. 595;

Electro-Dynamic Co. v. United States L. & H. Corp. (C. C. A. 2), 278 Fed. 80, 84.

A patent must be construed as written:

In *Goodyear Dental Vulcanite Co. v. Davis,* 102 U. S. 222, 26 L. Ed. 149, 150, Mr. Justice Strong held:

> "Undoubtedly, a patent, like any other written instrument, is to be interpreted by its own terms. But when a patent bears on its face a particular construction, inasmuch as the specification and claim are in the words of the patentee, it is reasonable to hold that such a construction may be confirmed by what the patentee said when he was making his application. The understanding of a party to a contract has always been regarded as of some importance in its interpretation."

In *Victor Talking Mach. Co. et al. v. American Graphophone Co.* (C. C. A. 2), 151 Fed. 601, 605, Townsend, Circuit Judge, held:

> "While, therefore, an applicant for a patent may stake out the boundaries of his territory, yet if, upon notice from the Patent Office that some portion of said territory is the property of another or is held in common by the public, he acquiesces in such statement and alters his boundaries accordingly.

He is concluded by such abandonment, and cannot afterward undertake to define his territory by rolling stones, which he may move about across the lines of his original boundaries so as to appropriate property previously conceded to belong to others."

In *Fulton Co. v. Powers Regulator Co.* (C. C. A. 2), 263 Fed. 578, 581, 582, Hough, Circuit Judge, held:

"(4) Within these limits patents are to be construed liberally 'so as to effect their real intent' (Bossert, etc. Co. v. Pratt, etc. Co., 179 Fed. 387, 103 C. C. A. 45); but what their intent is must be obtained from the specification and measured by the claim, for the present 'condition of the patent law * * * leaves no excuse for ambiguous language or vague descriptions' (Merrill v. Yeomans, 94 U. S. 673, 24 L. Ed. 235), although it is not legal ambiguity when 'the subject-matter is incapable of exact expression in terms of measurement,' and a skillful man with no measurements given can follow the directions of the patent (Eible, etc. Co. v. Remington, etc. Co., 234 Fed. 624, 148 C. C. A. 390. * * *

"Nowhere does the specification state that patentee's tube is to be long; doubtless it was to be as long as convenient; but that its length had anything to do with cooling is a concept neither expressed in nor suggested by the specification.

"If such concept had been described and its embodiment pictured, the claim would not be bettered under McCarty v. Lehigh, etc. Co., 160 U. S. 110, 16 Sup. Ct. 240, 40 L. Ed. 358. To substantially insert the necessary words would be going further than to substitute the specification for the claim, and that certainly cannot be done. Safety, etc. Co.

v. Gould, etc. Co. (D. C.), 230 Fed. 850. We are driven to the conclusion that the coolness of the connecting tube arising from its length is an afterthought. Whether it is a good one or not makes no difference; it cannot control or change claims as written. McBride v. Kingman (C. C.), 72 Fed. 913, Affirmed 97 Fed. 217, 38 C. C. A. 123. Thus the case is one for applying the rule that this function now so fervently urged was not set forth in the specification, whereas another function, *i. e.,* the trap so carefully described, was set forth and claimed; and this 'is significant proof that (that) which has not been disclosed by (the patentee) to the public is not his invention.' Electric etc. Co. v. Gould etc. Co., 158 Fed. 617, 85 C. C. A. 439."

See also:

Wood v. Boylan et al. (C. C. A. 8), 19 Fed. (2d) 48, 51, 54;

Hennebique Const. Co. v. Urban Const. Co. (C. C. A. 8), 182 Fed. 496, 498;

Brill v. St. Louis Car Co. et al. (C. C. A. 8), 90 Fed. 666, 668, 669;

McCarty v. Lehigh Valley R. R. Co., 160 U. S. 110, 40 L. Ed. 358.

Court cannot rewrite patent:

In *Colgate-Palmolive-Peet Co. v. Lever Bros. Co.* (C. C. A. 7), 90 Fed. (2d) 178, 194, Evans, Circuit Judge, held:

"(7) Lamont might have inserted additional claims or modified the language of existing claims so as to have made them broader and more comprehensive and inclusive. Such claims might have covered soap with a *reduced* amount of dust and

which would have had a *substantial* amount of round and ball like particles with hollow bodies. However, Lamont chose to make the claims more rigid and specific and must be bound thereby. He chose his own language. We must accept his words as they were presented to, and accepted by, the Patent Office. We are not permitted to rewrite a claim even though Lamont's discovery would have justified a broader one. Nor can we do indirectly, that is by construction, what we can not do directly."

In *Permutit Co. v. Graver Corp.* (C. C. A. 7), 43 Fed. (2d) 898, 901, Evans, Circuit Judge, held:

"Much stress is placed on the novel feature (a), the unconfinable character of the bed of zeolites. The advantages of an *unconfined* bed of zeolites are now stoutly proclaimed. Because open at the top it is claimed that the zeolites receive the water and the salt more freely and evenly and both the water softening and the zeolite regeneration are more complete. For the purpose of the argument only it may be ceded that an unconfined zeolite bed had merit as well as novelty. But of what significance is this fact to the patentee who did not include in his specifications or in his claims a zeolite bed so limited?

"We have looked in vain, in the claims and in the specifications of the Gans patent, for any language which mentions a zeolite bed which is free and unconfined. If the novelty of this invention, as it is now asserted, resides in the free and unconfined bed of zeolites, it is more than passing strange that the inventor should make no reference, either in specifications or in claims, to that which marked his advance over the prior art. Courts are not

permitted to read into a claim a limitation of one of the elements which the patentee has not seen fit to impose. For what is not claimed by the patentee belongs to the public."

See also:

McLain v. Ortmayer, 141 U. S. 419, 424, 35 L. Ed. 800;

Keystone Bridge Co. v. Phoenix Iron Co., 95 U. S. 274, 24 L. Ed. 344;

Merrill v. Yeomans, 94 U. S. 568, 24 L. Ed. 235.

Abandonment by publication:

In *Ely Norris Safe Co. v. Mosler Safe Co.* (C. C. A. 2), 62 Fed. (2d) 524, 526, Manton, Circuit Judge, said:

"The second patent is for the same invention, and is an alternative and inferior form. It is the one with a destructible wall closing the periphery of the open space. The first patent disclosed this inferior or alternative construction, but did not claim it. That which is described and not claimed in a patent is abandoned to the public unless the inventor before the grant of the first patent has on file an application asserting the same invention. Underwood v. Gerber, 149 U. S. 224, 231, 13 S. Ct. 854, 37 L. Ed. 710; Miller v. Brass Co., 104 U. S. 350, 26 L. Ed. 783. The plaintiff's inventor cannot now assert a monopoly in that which he abandoned to the public. Therefore the second patent is invalid."

In *Ludlum Steel Co. v. Terry* (D. C. N. D. N. Y.), 37 Fed. (2d) 153, 164, Cooper, District Judge, held:

"(9) It is the law that where a patentee in his earlier patent makes disclosures, unaccompanied

by any claim covering such disclosures, and without reservation of such claim, or notice of intention to claim them in a later patent, the patentee is presumed to dedicate to the public all such unclaimed disclosures, and cannot later obtain a patent for them. Ball & Roller Bearing Company v. F. C. Sanford Mfg. Co. (C. C. A.), 297 F. 163, McClain v. Ortmayer, 141 U. S. 419, 12 S. Ct. 76, 35 L. Ed. 800."

See also:

Hy-Lo Unit & Metal Products Co. v. Remote C. Mfg. Co. (C. C. A. 9), 83 Fed. (2d) 345, 347;

Esnault-Pelterie v. Chance Vought Corp. (C. C. A. 2), 66 Fed. (2d) 474, 475;

Directoplate Corp. v. Donaldson Lith. Co. (C. C. A. 6), 51 Fed. (2d) 199, 203;

Elevator Supplies Co. v. Graham & Norton Co. (C. C. A. 3), 44 Fed. (2d) 358, 361, 362.

Abandonment by suppression of the invention:

In *Kendall v. Winsor,* 62 U. S. (22 How.) 322, 328, 16 L. Ed. 165, 167-168, Mr. Justice Daniel held:

"It is undeniably true, that the limited and temporary monopoly granted to inventors was never designed for their exclusive profit or advantage; the benefit to the public or community at large was another and doubtless the primary object in granting and securing that monopoly. * * *

"* * * The inventor who designedly, and with the view of applying it indefinitely and exclusively for his own profit, withholds his invention from the public, comes not within the policy or objects of the Constitution or Acts of Congress. He does

not promote, and, if aided in his design, would impede, the progress of science and the useful arts. And with a very bad grace could he appeal for favor or protection to that society which, if he had not injured, he certainly had neither benefited nor intended to benefit. * * *

"* * * He may forfeit his rights as an inventor by a willful or negligent postponement of his claims, or by an attempt to withhold the benefit of his improvement from the public until a similar or the same improvement should have been made and introduced by others. * * *

" 'If an inventor should be permitted to hold back from the knowledge of the public the secrets of his invention, if he should for a long period of years retain the monopoly, and make and sell his invention publicly, and thus gather the whole profits of it, relying on his superior skill and knowledge of the structure, and then, and then only, when the danger of competition should force him to secure the exclusive right, he should be allowed to take out a patent, and thus exclude the public from any further use than what would be derived under it during his fourteen years, it would materially retard the progress of science and the useful arts, and give a premium to those who should be least prompt to communicate their discoveries.' "

See also:

Consolidated Fruit Jar Co. v. Wright, 94 U. S. 92, 24 L. Ed. 68;

Victor Talking Machine Co. v. Starr Piano Co. (C. C. A. 2), 281 Fed. 60, 66;

Allison Mfg. Co. v. Ideal Filter Co. (C. C. A. 8), 21 Fed. (2d) 22, 27;

William Mills v. The United States (Court of Claims of U. S.), 13 U. S. P. Q. 323, 331;

Woodbridge v. United States, 263 U. S. 50, 68 L. Ed. 159, 163, 164;

Wirebounds Patents Co. v. Saranac Automatic Mach. Co. (C. C. A. 6), 65 Fed. (2d) 904, 906.

Abandonment by prior public use:

In *Wailes Dove-Hermiston Corp. v. Oklahoma Contracting Co.* (C. C. A. 5), 56 Fed. (2d) 143, 144, Walker, Circuit Judge, held:

> "The patentees publicly used the patented method in coating fifty miles of pipe in a job in which about eighty miles of pipe were coated. That job was commenced in the latter part of June, 1926. The coating was done under a contract which provided for it being paid for at a stated price per lineal foot. The contract price for the coating in which the patented method was used, amounting to over $70,000. was promptly paid when the job was done. It is quite apparent that the main purpose of the just mentioned use of the method in question was for profit, and that a purpose to make the job a means of testing the durability of a coating by the patented method of large pipe buried underground was merely incidental. Such a public use of the method in business and for profit more than two years prior to the application was a bar to the applicants' right to a patent. 35 U. S. C. A., Sec. 31; Smith & Griggs Mfg. Co. v. Sprague, 123 U. S. 249, 8 S. Ct. 122, 31 L. Ed. 141; Andrews v. Hovey, 123 U. S. 267, 8 S. Ct. 101, 31 L. Ed. 160."

In *Smith and Griggs Mfg. Co. v. Sprague*, 123 U. S. 249, 31 L. Ed. 141, 146, Mr. Justice Matthews held:

> "In considering the evidence as to the alleged prior use for more than two years of an invention, which, if established, will have the effect of invalidating the patent, and where the defense is met only by the allegation that the use was not a public use in the sense of the statute, because it was for the purpose of perfecting an incomplete invention by tests and experiments, the proof on the part of the patentee, the period covered by the use having been clearly established, should be full, unequivocal, and convincing."

See also:

Letterlier v. Mann, et al. (C. C. S. D. Calif.), 91 Fed. 917, 918;

Standard Automatic Mach. Co. v. Karl Kiefer Mach. Co., 18 Fed. (2d) 326, 329-331; (affirmed C. C. A. 2), 18 Fed. (2d) 331;

Twyman v. Radiant Glass Co. (C. C. A. 8), 56 Fed. (2d) 119, 121;

Midland Flour Milling Co. v. Bobbitt (C. C. A. 8), 70 Fed. (2d) 416, 419, 420;

Swain v. Holyoke Machine Co. (C. C. A. 1), 111 Fed. 408, 409;

A. Schrader's Sons, Inc. v. Wein Sales Corp. (C. C. A. 2), 9 Fed. (2d) 306, 308;

Wilkie v. Manhattan Rubber Mfg. Co. (C. C. A. 3), 14 Fed. (2d) 811, 812.

Double patenting:

In *Toledo Scale Co. v. Computing Scale Co.* (C. C. A. 6), 9 Fed. (2d) 823, 824, Denison, Circuit Judge, held:

> "In these De Vilbiss patents, if there was inventive merit in the broad thought of combining his base-supported platform with a computing apparatus, though this is at least doubtful, it could have been covered by a generic claim in the first patent. This was not done, either by the original or by the reissue which was later taken. Whether by this course there was a dedication to the public of a further form, beyond that specifically shown and claimed, depends upon the existence of an inventive step between the two; and thus, under such circumstances as here exist, we come in another way to the question of whether the second showed patentable invention as compared with the first. We have already indicated a negative answer. The remedy for any insufficiency was reissue, not another specific patent."

See also:

Cutler Hammer Mfg. Co. v. Beaver Machine & Tool Co. (C. C. A. 2), 5 Fed. (2d) 457, 461;

Miller v. Eagle Mfg. Co., 151 U. S. 186, 38 L. Ed. 121, 127, 128.

Lack of invention.

In *Remington Rand Business Service, Inc. v. Acme Card System Co.* (C. C. A. 4), 71 Fed. (2d) 628, Soper, Circuit Judge, held (l. c. 634, 635):

> "(9) If there should be any doubt on this point, it is dispelled by the patent to Anchell No. 836,358, of November 20, 1906. Anchell's invention related to devices for exhibiting samples of lace, fabric, or the like, and consisted in a leaf or panel for displaying the sample, and marginal members with inturned flanges to receive the ends of the strips of goods to be displayed. The construction of the marginal members is substantially identical with that of Soans, with the slight point of difference (which likewise exists in the Remington structure), that the bead member did not inclose the web. This was an immaterial difference, as we have shown in discussing the question of infringement. The only answer suggested to this reference is that the Anchell structure was made of paper and hence would not fill the demands made upon frames designed to hold visible index strips. It is not necessary, however, for the purpose in view, that the Anchell patent be considered a complete anticipation to the patent in suit. It is sufficient that is suggests to one interested in the problem the means of solving it. When we consider the result which Soans was striving to achieve, and note the comparative simplicity of the problem, it is clear that it did not require invention to solve it in view of the suggestions in the kindred art contained in the Rudolph and Anchell patents."

In *Atlantic Works v. Brady,* 107 U. S. 192, 27 L. Ed. 438, 441, Mr. Justice Bradley held:

> "To grant to a single party a monopoly of every slight advance made, except where the exercise of invention, somewhat above ordinary mechanical or engineering skill, is distinctly shown, is unjust in principle and injurious in its consequences.
>
> "The design of the patent laws is to reward those who make some substantial discovery or invention, which adds to our knowledge and makes a step in advance in the useful arts. Such inventors are worthy of all favor. It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea, which would naturally and spontaneously occur to any skilled mechanic or operator in the ordinary progress of manufactures. Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement of the arts. It embarrasses the honest pursuit of business with fears and apprehensions of concealed liens and unknown liabilities to lawsuits and vexatious accountings for profits made in good faith."

See also:

Railroad Supply Co. v. Elyria Iron & Steel Co., 244 U. S. 285, 61 L. Ed. 1136, 1148;

Haggerty et al. v. Rawlings Mfg. Co. (C. C. A. 8), 14 Fed. (2d) 928, 930.

POINT II.

Non-Infringement.

Defendants Did Not Jointly or Severally Infringe the Patent, or Contribute to Infringement Thereof, and Particularly of Claims 1, 2, 4 and 7 to 10, Inclusive, Thereof, or of Any of Said Claims.

Ex parte tests not reliable:

In *Shimadzu et al. v. Electric Storage Battery Co.* (D. C. E. D. Pa.), 17 Fed. Supp. 42, (affirmed 98 Fed. (2d) 831) Kirkpatrick, District Judge, held (l. c. 51, 52):

> "Using this method as his principal support, the plaintiff's expert testified to the existence of the lead suboxide as a chemical compound, and to its presence in the product of the defendant's mill. Using the same method, the defendant's experts reached a diametrically opposite conclusion. * * *
>
> "Without questioning either the accuracy of Dr. Clark's experimental data or the sincerity of his rather guarded conclusion, or that of the much more positive opinions of the defendant's experts, my verdict must be 'not proven' as to either the existence or nonexistence of the questioned substance. * * *
>
> "(8) This recalls us to the fact that we are engaged in the determination of a dispute between two parties in a court of law, rather than in an excursion into the realm of scientific research, and we must approach the question from the standpoint of the rules which the law has established for resolving the controverted issue. The patent is by reason of its issue presumptively valid and the burden of proof is upon the defendant to show its

invalidity. I am unable to find as a fact that lead suboxide does not exist. The burden has not been met, and the product claims are therefore held valid.

"(9) On the other hand, the burden is upon the plaintiff to prove infringement. He has not established the fact that suboxide is to be found in the defendant's product and so has failed to meet the burden. I therefore hold that the claims above referred to are not infringed."

In *Tropic-Aire, Inc. v. Auto Radiator Mfg. Co.* (C. C. A. 7), 96 Fed. (2d) 345, 349, 350, Sparks, Circuit Judge, held:

"We think appellant's tests are not fair to appellee's system, and that when it is used according to appellee's instructions, it follows rather closely the prior art hereinbefore referred to and does not infringe the Waters patent. It is quite possible that appellee's tests did not disclose results which were absolutely perfect, but to us they seem to be quite logical and approximately correct. However that may be, the burden was upon appellant to establish infringement. For reasons hereinbefore stated we are unwilling to accept its tests as proof of that fact, and though it be conceded that appellee's tests were not proper to prove non-infringement, the fact remains that infringement has not been established, and we so hold."

See also:

Carnegie Steel Co. v. Cambria Co., 185 U. S. 403, 420, 46 L. Ed. 968;

Bethlehem Steel Co. v. Niles-Bement-Pond Co. (C. C. D. N. J.), 166 Fed. 880, 887, 888; (affirmed 173 Fed. 1019).

Plaintiffs' proof does not meet the tests which they, themselves, set up:

In *Hewitt v. American Telephone & Telegraph Co.* (D. C. S. D. N. Y.), 272 Fed. 194 (affirmed 272 Fed. 392) Mayer, District Judge, held (l. c. 200):

> "Finally, it remains to consider the point that there is an infinitesimal amount of air in the evacuated space of defendant's bulb. To hold that this fact, which is irrelevant to the principle on which defendant's devices act, justifies the conclusion that defendant infringes, would be to substitute words for substance. Westinghouse v. Boyden Power Brake Co., 170 U. S. 537, 568, 18 Sup. Ct. 707, 42 L. Ed. 1136; Westinghouse Air Brake Co. v. New York Air Brake Co., 119 Fed. 874, 56 C. C. A. 404; Western Electric Co. v. Western Tel. Const. Co. *et al.* (C. C.), 79 Fed. 959, 961."

See also:

Standard Paint Co. v. Bird (C. C. A. 2), 218 Fed. 373, 378, 379;

American Adamite Co. v. Mesta Machine Co. (C. C. A. 3), 18 Fed. (2d) 538, 539;

Grand Rapids Showcase Co. v. Measuregraph Co. (C. C. A. 8), 28 Fed. (2d) 497, 506, 507.

Estoppel by file wrapper:

In *Royer v. Coupe,* 146 U. S. 524, 532, 36 L. Ed. 1073, 1077, Mr. Justice Blatchford held:

> "If the plaintiff did make such an invention and was entitled to claim a patent for it, he has failed to secure such a patent. On June 10, 1873, he

put in a claim to the mode of preparing rawhides by the fulling operation and the preserving mixture. That claim was rejected by the Patent Office, and he withdrew it on October 29, 1873. Nor can he, under the present patent, claim as a new article of manufacture the rawhide thus prepared, for he made that claim on June 10, 1873, it was rejected, and he struck it out on October 9, 1873.

"It is well settled, by numerous cases in this court that under such circumstances a patentee cannot successfully contend that his patent shall be construed as if it still contained the claims which were so rejected and withdrawn. Roemer v. Peddie, 132 U. S. 313, 317, 10 S. Ct. 98 (38 L. Ed. 382, 383) and cases there cited. The principle thus laid down is, that where a patentee, on the rejection of his application inserts in his specification, in consequence limitations and restrictions for the purpose of obtaining his patent, he cannot, after he has obtained it, claim that it shall be construed as it would have been construed if such limitations and restrictions were not contained in it." (Citing cases.)

In *Greenwalt v. American Smelting & Refining Co.* (D. C. D. Montana), 3 Fed. (2d) 658 (affirmed C. C. A. 9, 10 Fed. (2d) 98), Bourquin, District Judge, held (l. c. 660):

"(2) Moreover, plaintiff thus construed his general and ambiguous claims in order to induce acceptance of his application for patent, and he amended the specifications to emphasize the 'seal of air and gas tight joint.' That construction, accepted by the grantor of the patent, is now conclusive upon plaintiff, even as is the like in any other variety of contract likewise secured. See Supreme Mfg.

Corp. v. Mfg. Co. (C. C. A.), 299 F. 66; Lorraine v. Townsend (C. C. A.), 290 F. 59; Selectasine Patents Co. v. Prest-O-Graph Co. (C. C. A.), 282 F. 224."

See also:

Tschappat et al. v. Hinderliter Tool Co. (C. C. A. 10), 98 Fed. (2d) 994, 998;

Smith v. Magic City Kennel Club et al., 282 U. S. 784, 75 L. Ed. 707, 712;

Gasoline Products Co. Inc. v. Champlin Refining Co. (C. C. A. 10), 86 Fed. (2d) 552, 561;

Jensen-Salsbery Laboratories, Inc. v. O. M. Franklin Blackleg Serum Co. (C. C. A. 10), 72 Fed. (2d) 15, 18;

Wood v. Boylan et al. (C. C. A. 8), 19 Fed. (2d) 48, 51, 54;

Kausal v. American Seating Co. (C. C. A. 3), 56 Fed. (2d) 557, 558.

Proof of infringement must be definite, particularly in cases involving chemical reactions:

In *General Electric Co. v. Laco-Phillips Co.* (C. C. A. 2), 233 Fed. 96, 102, 103, Mayer, District Judge, held:

"If it be assumed that the Welsbach process or processes, if applied to tungsten, would produce the Just & Hanaman pure tungsten filament, the argument leads us nowhere. As Dr. Liebmann points out:

" 'Osmium belongs to the platinum group. The grouping of the elements primarily does not indicate that even the members belonging to one group have

all the same properties and answer to the same reactions. If that were so, chemical science would be at an end. * * * According to the periodic system, which is the theory of classification dominant today, tungsten forms one of four metals, chromium, molybdenum, tungsten, and uranium. Osmium is still a member of the platinum group, viz., platinum, iridium, osmium, palladium, rhodium, and ruthenium. The grouping of the elements in these classes does not involve the sameness of properties or of susceptibility to reactions. The grouping is effected on certain principles and certain facts which are known. If all members of one group had the same properties, there would be only one member possible. Conclusions as to new and unknown reactions cannot be drawn, even if two elements belong to the same group.'

"And as the same expert truly says:

" 'Chemistry is essentially an experimental science, and chemical prevision is as impossible today, in spite of the accumulation of the great knowledge, as it was in former times. What I said about members belonging to one group I say more emphatically of members belonging to different groups. No conclusions can be drawn from the behavior of an element belonging to one group as to the behavior of an element belonging to another group.' "

In *Naylor v. Alsop Process Co.* (C. C. A. 8), 168 Fed. 911, 919, Amidon, District Judge, held:

"It should be borne in mind in considering this subject that reasoning by analogy in a complex field like chemistry is very much more restricted than in a simple field like mechanics. This distinction has been frequently recognized by the courts."

See also:

Tyler v. Boston, 7 Wall. (74 U. S.) 327, 330, 10 L. Ed. 93, 94;

Toledo Rex Spray Co. v. California Spray Chemical Co. (C. C. A. 6), 268 Fed. 201, 204;

General Electric Co. v. Allis-Chalmers Co. (D. C. D. N. J.), 199 Fed. 169;

H. Mueller Mfg. Co. v. Glauber (C. C. A. 7th Cir.), 184 Fed. 609, 614.

Burden of proof of infringement is heavily upon the plaintiffs:

In *Hatmaker v. Dry Milk Co.* (C. C. A. 2), 34 Fed. (2d) 609, 611, L. Hand, Circuit Judge, said:

> "(3) As the plaintiff has the burden of proof upon the issue of infringement, he must suffer any doubt that may arise from the evidence."

See also:

Hale Mfg. Co. v. Hafleigh & Co. (C. C. A. 3), 52 Fed. (2d) 714, 719;

Heidrink et al. v. Hardessen Co. (C. C. A. 7), 25 Fed. (2d) 8, 11;

Valvona-Marchiony Co. v. Perella et al. (D. C. W. D. Pa.), 207 Fed. 377, 379;

Edison v. American Mutoscope & Biograph Co. (C. C. A. 2), 151 Fed. 767, 773, 774;

Linde Air Products Co. v. Morse Dry Dock & Repair Co. (C. C. A. 2), 246 Fed. 834, 838;

Matheson v. Campbell (C. C. A. 2nd Cir.), 78 Fed. 910, 920-21);

National Mach. Corp., Inc. v. Benthall Mach. Co., Inc. (C. C. A. 4th Cir.), 241 Fed. 72.

POINT III.

Defendants' Procedure in Asking That Plaintiffs' Bill of Complaint Be Dismissed Under Authority of the Leitsch v. Barber Case Is Supported by Authorities.

Cyclopedia of Federal Procedure, Vol. 4, Sec. 1107, pp. 237, 238;

Fourniquet v. Perkins, 16 How. 82, 14 L. Ed. 854;

Western Union Telegraph Co. v. United States & Mexican Trust Co. et al. (C. C. A. 8), 221 Fed. 545, 551;

Duke Power Co. v. Greenwood County (C. C. A. 4), 91 Fed. (2d) 665, 668-9 (affirmed 302 U. S. 485);

In re Tucker (D. C. D. Mass.), 148 Fed. 928;

Smith v. Seibel et al. (D. C. N. D. Iowa, C. D.), 258 Fed. 454;

Holman v. Cross et al. (C. C. A. 6), 75 Fed. (2d) 909, 913;

Railway Register Mfg. Co. v. North Hudson R. Co. et al. (C. C. D. N. J.), 26 Fed. 411, 412;

Celluloid Manuf'g. Co. v. Cellonite Manuf'g. Co. (C. C. S. D. N. Y.), 40 Fed. 476, 477;

Central Improvement Co. v. Cambria Steel Co. et al. (C. C. A. 8), 210 Fed. 696, 699, 700;

Burke v. Davis (C. C. A. 7), 81 Fed. 907, 910.